

Dorrington Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number
8049062 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Dorrington Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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Dorrington Academy Trust
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Trustees' report for the year ended 31 August 2021

Reference and Administrative Details

Members	J Hemmings K Hyem J Hamilton White	Chair Person Vice Chair Person
Trustees	Miss L Barratt Ms Lynne Cosnett Ms Janet Hamilton-White Mr John Hemmings Mr Keith Hyem Person Mr Fayaz Khuhro Miss Jo Nightingale Mrs Stephanie Ogidih Mr John Harrison Mrs Jan Shrigley trustee on 1/9/21 when she retired. Resigned as trustee on 2/11/21) Mrs Carol Shotton Mrs Carol Shepherd	Head Teacher and Accounting Officer Staff trustee Community Trustee Community Trustee and Chair Person Community Trustee and Vice Chair Parent Trustee Community Trustee Community Trustee Staff Trustee Staff Trustee (became a community Community Trustee Community Trustee (left Sept 21)
Company secretary	Mr K Hyem	
Senior management team	L Barratt J Harrison S Williamson S Taylor J Smith S Grewal	Head Teacher Deputy Head Teacher Deputy Head Teacher Deputy Headteacher Assistant Head Teacher Assistant Head Teacher
Company name	Dorrington Academy Trust	
Principal and registered office	Dorrington Academy Dorrington Road Birmingham B42 1QR	
Company registration number		
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	Lloyds Bank PLC 4 th Floor 125 Colmore Row Birmingham B3 3SD	
Solicitors	Browne Jacobson Mowbray House, Castle Meadow Road Nottingham NG2 1BJ	

Dorrington Academy 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 period 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 an academy for pupils aged 3 to 11 serving a catchment area in Perry Barr, Birmingham. It has a pupil capacity of 708 and has a predicted roll of 659 for the school census on 7th October 2021.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Dorington Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Dorington Academy.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

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 normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim. Dorington Academy has opted into the ESFA's Risk Protection Arrangement (RPA).

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

The above selection procedures are by advertisement of the post on Newsletter and Website, interested parties to collect application form and return with A4 reasons as to why they would make a good Trustee. These statements are available for the Community to read and a set date for voting is advertised. Voting takes place using a locked ballot box. The Ballot Box is unlocked by the Chair of Governors and the votes are counted by the Chair of Governors and the Community are informed of the results.

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Trustees' report for the year ended 31 August 2021 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has a service level agreement with the trustee support department of Dorington Academy to provide training, advice and support to the board of trustees.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs.

One of the trustees is appointed as link trustee, attends relevant training and provides information to trustees following such training.

The deputy head teacher/vice principal is the leader for professional development in school, and he/she ensures that trustees are provided with opportunities to receive training in accordance with their role, and the school's training plan.

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance/Buildings
- Health & Safety
- Staffing
- Curriculum and Standards
- Exclusions
- Pay & Grading/Performance Management
- Child Protection/Safeguarding
- Head Teacher Performance Management
- Appeals
- Staff and Pupil Discipline
- Monitoring Groups linked to the Academy Development Plan

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to Dorington Academy are reserved for the board of trustees. Those responsibilities delegated to management include leadership and management for the school.

Arrangements for setting pay and remuneration of key management personnel

Dorrington Academy has an approved pay policy and performance management policy which it adheres to with regards to setting pay and remuneration. In addition to Governors, the Head Teacher also has an external assessment as part of her performance management.

Related parties and other Connected Charities and Organisations

Trustee's related parties and other connected charities and organisations are all documented on their pecuniary interest forms and these are reviewed to ensure sound and transparent governance. The Academy publishes its relevant business and pecuniary interest of Trustees on its website. The ESFA is advised of related parties where approval is required.

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Trustees' report for the year ended 31 August 2021 (continued)

Objectives and activities

THE ACADEMY OVERARCHING PRIORITIES

Raising standards in Teaching and Learning

Priority areas for development

- Catch-up Program
- Enhance virtual learning provision including homework
- Enhanced Gifted and Talented provision
- Continued embedding of reading skills and language development
- Continue to develop the wellbeing provision and curriculum
- ECT (NQT) provision
- Sensory bus initiative provision to enhance standards and wellbeing

Improving the Learning Environment

Priority areas for development

- Link new playgrounds to curriculum provision
- Storage facilities
- Development of outdoor spaces to enhance EYFS provision and wellbeing whole school

Effectiveness of Leadership and Management

Priority areas for development

- Continue to have effectiveness of Governing Body
- Implement and embed new finance and management systems
- Implement and embed all payments on-line
- Embedding British Values into the SMSC curriculum
- Leadership succession
- Embed incentive programme to assist overall pupil standards of achievement which includes academic, social, attendance and punctuality
- Integration of the community within the Academy through 'Masterclass' days and wellbeing initiatives
- Continue to adapt systems to deal with Covid-19 outcomes

2021/22 Year Group Priorities

The Academy's priority after the upheaval of Covid-19 is to continue to have thorough assessments to ensure all children are targeted to make 100% progress and increase the percentage of children making more than 100% progress by 5%

Year 1

- Further develop phonic language skills
- Higher focused intervention for the writing strand
- Further develop opportunities to ensure progress for FSM pupils

Year 2

- Raise the attainment of 6 Pakistani Pupils in Reading and Writing in order to raise the attainment for this ethnicity group
- Raise the attainment of 3 Other Pupils in Reading and Writing in order to raise the attainment for this ethnicity group
- Narrow the gap between boys and girls at the Expected level in Maths (current gap 10%, target 3 children)

Year 3

- Raise the attainment of Boys to at least 89% in writing (currently 81%, target 3 children) in order to close the current gap of -8% between boys and girls at the Expected level.
- Raise the attainment of Black Caribbean pupils at the Exceeding level in Reading, Writing and Maths (target 1 child)
- Raise the attainment of 2 Other pupils in Maths at the Expected level in order to bring Other pupils in-line with the rest of the Cohort.

Trustees' report for the year ended 31 August 2021 (continued)

Year 4

- Narrow the gap between FSM and Non-FSM at the Expected level

Subject	Current Gap	Children to target
Maths	9%	3 children
Reading	12%	3 children
Writing	8%	2 children

- Increase the number of Pakistani children attaining Exceeding in Reading, Writing and Maths

Subject	Current Gap	Children to target
Maths	13%	4 children
Reading	12%	4 children
Writing	9%	3 children

- Increase the number of Black Caribbean children attaining Exceeding in Reading, Writing and Maths

Subject	Current Gap	Children to target
Maths	27%	2 children
Reading	23%	2 children
Writing	23%	2 children

Year 5

- Raise the attainment of 10 pupils in maths to at least the Expected level
- Raise the attainment of 8 Boys at the Exceeding level in writing and Reading in order to close the gap between boys and girls.

Year 6

- Narrow the gap between girls and boys at the Expected level in Reading and Writing

Subject	Current Gap	Children to target
Reading	14%	5 children
Writing	16%	6 children

- Narrow the gap between FSM and Non-FSM at the Exceeding level in maths (current gap -18%, target 5 children)
- Raise the attainment of Black Caribbean pupils in Reading, Writing and Maths at the Expected level
- Increase the number of Pakistani children attaining Exceeding in Reading, Writing and Maths

Subject	Children to target
Maths	3 children
Reading	1 child
Writing	2 children

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

Dorrington Academy is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation

Trustees' report for the year ended 31 August 2021 (continued)

Strategic Report

Achievements and Performance

The Leadership and management conducted a full audit against the Academy's improvement plan. The outcomes were extremely positive against our overarching and specific priorities. Overall outcomes and strategic plans indicate that the Academy provides Outstanding provision (see Ofsted report below. We were the first primary school in the country to get Outstanding against the new framework in November 2019).

Overall effectiveness:	Outstanding
The quality of education:	Outstanding
Behaviour and attitudes:	Outstanding
Personal development:	Outstanding
Leadership and management:	Outstanding
Early years provision:	Outstanding

What is it like to attend this school?

This is an excellent school that pupils love coming to. They read, write and do mathematics every day and by the time they leave, they reach very high standards in these subjects. Alongside these, many other subjects take place. All subjects are planned so pupils learn the right things, in the right order and at the right time. Leaders have very high expectations that pupils will achieve well. They prepare pupils for life in modern Britain. Lessons provide pupils with practical activities that develop their skills across a wide range of subjects. For example, within the school day, pupils learn how to rock climb using the school's indoor climbing wall. They make pizza in the school's outdoor pizza oven and take part in yoga in the school's yoga studio. Staff work very hard and teach pupils exceptionally well. They promote positive attitudes. Pupils get on very well with adults and with each other. As a result, behaviour is excellent. Bullying is rare, but if it happens, adults help stop it. The school puts the mental health and well-being of its staff and pupils first. The school is a calm, welcoming place for all.

What does the school do well and what does it need to do better?

Leaders ensure that the school provides an excellent standard of education for pupils. Leaders' drive and passion are clear to see. New staff receive the right amount of support and say that their workload is manageable. Teachers ensure that activities engage and excite pupils. Learning builds on pupils' previous learning in all subjects. Children in the Nursery and Reception classes make a superb start. Leaders and staff in early years know the children well. There is a sharp focus on developing children's speaking and listening skills. Children can learn inside and outside the classroom. Children are eager to learn and are kind to each other. The teaching of reading starts from the moment pupils join the school. Well-trained staff teach phonics daily. The teaching of reading and other subjects is precise and accurate. Phonics sessions take place in small ability groups and are stimulating and fun. Pupils read often, both at home and at school. They talk with enthusiasm about their favourite books and authors and have a love of reading. Pupils who have special educational needs and/or disabilities (SEND) take part in all activities.

Trustees' report for the year ended 31 August 2021 (continued)

The special educational needs coordinator has an effective oversight of individual pupils' needs and ensures that these are met. Disadvantaged pupils' needs are well met. They often make better progress than their peers. Inspection report: Dorington Academy 6–7 November 2019 3 Pupils have many opportunities to think deeply and to develop their confidence. This is the case in all subjects. Pupils' work in books is neat. They take a pride in all they do. Effective assessment identifies what pupils need help with. Extra support for pupils who need it, including disadvantaged pupils, ensures that they keep up and catch up with their peers. The most able children also receive the care and attention they need. Whatever a pupil's background or abilities, they make excellent progress in their learning. The school environment is attractive, well organised and full of resources. Pupils are happy to talk about their work that is on display and in their books. They use a wide range of vocabulary to describe their learning to inspectors. Links between subjects enhance learning. Cooking lessons reinforce learning in science when heating, melting and cooling ingredients. A range of visits bring learning to life. Year 6 pupils visit a local regimental museum, as part of their learning in history. Pupils' behaviour is exemplary both in lessons and as they move around school. Pupils are polite and well mannered. A rewards system encourages pupils to be kind and helpful and to treat each other with respect. Pupils have lots of opportunities to learn about the beliefs and cultures of others. They undertake charity work and get involved with the local community. Pupils report that 'everyone has a voice'. This is a school where pupils respect each other, their talents are nurtured, and all pupils thrive. Leaders' ambition to create an inclusive community school is now a reality. Pupils make exceptional progress in most subjects. This ensures that they are ready for secondary school when they leave.

Safeguarding

The arrangements for safeguarding are effective. All staff know that safeguarding pupils is very important. Leaders train staff so they know what to do if they have concerns about a pupil's well-being or safety. A high proportion of staff are first-aid trained. Leaders and governors understand vulnerable pupils' needs. They support pupils that are under the care of social services in a sensitive way. Leaders check that staff are suitable before they begin work at the school. Staff teach pupils to look after themselves in a range of situations. Pupils are knowledgeable about how to keep themselves safe when using the internet and knew whom they could talk to if they were worried about anything.

- Direct costs as a percentage of total costs were 66.6% (2020 : 69.3%)
- Support costs as a percentage of total costs were 33.4% (2020 : 30.7%)
- Total payroll costs as a percentage of recurring income were 83.7% (2020 : 82.3%)

Going concern

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

Financial Review

The financial results of Dorington Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

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Trustees' report for the year ended 31 August 2021 (continued)

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2021 total resources expended were £3,497,189 and the excess of expenditure over income was £247,831 which included depreciation of £213,223.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2021 of £3,755,850 which included £124,274 restricted funds not available for general purposes of the academy trust, £29,705 of free reserves defined as unrestricted funds available for general purposes and £6,846,871 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £153,979.

In addition, the deficit on the restricted pension fund of £3,245,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment Policy

Any surplus funds remain held in a current account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

The trustees managed Covid-19 effectively. Trustees were in constant communication to ensure guidelines were met for everyone's safety. Contingency strategies were put in place to ensure that key workers children could be taught and staff could teach effectively from home. Trustees used the opportunity to maximise learning opportunities at home that could continue after the pandemic was over. Financially, trustees appreciated that all related Covid-19 expenses would not be met totally by Government grants but with a strong financial situation at the Academy for the short, medium and long term, any additional expenditure was met from reserves comfortably.

The trustees looked after the wellbeing of all staff and children efficiently and effectively, financially there has been no negative impact affecting the Academy during the uncertain time of Covid-19. Any threat to the Academy's financial and operational strategies at the onset of Covid-19 were alleviated by careful strategic planning and any potential threats were turned into a positive opportunity to benefit the community.

Trustees' report for the year ended 31 August 2021 (continued)

To conclude:

- Staff were redeployed to cover absenteeism – hence no issue.
- Software packages purchased to deal with teaching pupils at home were strategically chosen to be incorporated into the future homework provision after Covid-19.
- Cleaning materials and procedural requirements to meet Covid-19 regulations were all met within budget without a negative impact on the Academy's financial strategic plan.

Fundraising

Throughout the academic year we have small community charity days to support Children in Need, Jeans for Genes, MacMillan, Breast Cancer. Children are asked to donate if they can afford. This income is then sent to the appropriate organisation and we receive a receipt of acknowledgement.

Plans for Future Periods

Covid-19 has presented many challenges in the past, now and in the future which we are incorporating into our strategic plan to ensure the Academy maintains our outstanding status and maximises opportunities for all children.

Our 5 year budget forecast is extremely strong due to redeployment, streamlining admin staff, adopting new finance and management systems and increasing numbers on roll. We aim to advance in technology provision, wellbeing linked to the curriculum and employing even more staff to take to capacity within our facilities very small group teaching whole school.

We have clearly set out our overall objectives above. After our Outstanding Ofsted report the Academy will continue to strive to be continually outstanding. Our priority is to maximise the effectiveness and efficiency of our resources to sustain our level of staffing which is fundamental to us if we are to maintain our highly effective Academy; in particular by maintaining small intervention teaching groups across the entire Academy.

Our vision is to continue to have a dynamic learning environment where children thrive. Our standards of achievement continue to thrive as we embed many initiatives. We have shared so many of our initiatives and practices with other academies and schools across the country and they have made a positive difference to pupil outcomes.

We have completed our playgrounds, extended our learning opportunities, invested into implementing new finance and management systems which has enabled us to streamline admin staff and put the savings into more teaching staff and pupil provision.

We have invested in the only sensory bus in the country with £50,000 worth of advanced teaching equipment for individual and small targeted groups, whatever the ability, to improve provision and wellbeing.

The lifestyle facility and wellbeing room continue to enhance pupils basic life skills and staff well-being, this has been further developed. We have completed the outdoor area of the Wellbeing House as well as the Yoga Studio. The impact of this has been recognised through National Awards. Investment in a state-of-the-art Sports Hall has allowed the Academy to maximise resources and provide opportunities for children to participate in activities they would not normally experience. The investment also means that the Academy can continue its Vision of being a fully inclusive community school by reaching out into the community and inviting them in to benefit from our facilities. The new wellbeing facilities enable the Academy to be open to our local and wider community 7 days a week.

With the challenges of Covid-19 catch up programmes, the wellbeing of the community is a priority and facilitated well in our Academy Development Plan.

We aim to complete outdoor learning facilities and access points alongside ongoing maintenance.

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Trustees' report for the year ended 31 August 2021 (continued)

After 13 years our learning environment has been designed and developed to the highest standards at the most cost-effective price, as Ofsted commented it 'blows people away'. We are proud of how the Academy has used the skills and experience of Leadership and Management to carefully create this over the years and now we just need to maintain it.

The Academy, Ofsted and external organisations believe Dorington Academy is far advanced with many initiatives and effective resources which enhance children's learning. Since our Ofsted report, we are continually trying to support other schools and academies locally and nationally. Our vision is to continue to get value for money to enable us to provide the most outstanding provision for pupils and outstanding work environment for staff.

Funds Held as Custodian Trustee on Behalf of Others

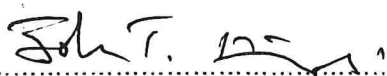
None

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2021 and signed on the board's behalf by:



J Hemmings - Chair of Trustees

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Governance statement for the year ended 31 August 2021

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Dorington Academy 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
Miss Loretta Barratt (Head Teacher & Accounting Officer)	5	5
Ms Janet Hamilton-White (Community Trustee)	5	5
Mr John Hemmings (Community Trustee & Chair Person)	5	5
Mr Keith Hyem (Community Trustee and Vice Chair Person)	5	5
Mr Fayaz Khuhro (Community Trustee)	2	5
Miss Jo Nightingale (Community Trustee)	5	5
Mrs Stephanie Ogidi (Parent Trustee)	4	5
Mrs Carol Shotton (Community Trustee)	4	5
Mrs Jan Shrigley (Staff Trustee)	5	5
Mrs Lynne Cosnett (Staff Trustee)	5	5
Mr John Harrison (Staff Trustee)	5	5
Mrs Carol Shepherd (Community Trustee)	2	2

Mrs Lynne Cosnett moved from parent to staff trustee. Mrs Carol Shepherd joined as community trustee. Trust is compliant with only a third of trustees' staff.

A review of governance was undertaken during the year which found that the Trustees continue to make an outstanding contribution to the continued success of the Academy. The level of skills, experience and knowledge held by Trustees is considerable and allows for excellent support to the Academy

Subsequent to this the following actions were taken :

- The number of Staff Trustees remain at a lower level thus allowing for greater independence to the board of trustees.
- Chair of Governors implemented a rota of learning walks at the academy for all Trustees
- Chair of Governors continues to lead on up to date training on any areas of Governance throughout the year.

The trust intends to conduct its next self-evaluation/external review by July 2021 however, a day to day evaluation is continually made by the board of Trustees.

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Governance statement for the year ended 31 August 2021 (continued)

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to ensure sound financial management within the Academy and to ensure buildings remain fit for purpose.

Trustee	Meetings attended	Out of a possible
Miss Loretta Barratt (Head Teacher and Accounting Officer)	5	5
Mr John Hemmings (Chair Person of full Trustees)	5	5
Mr Keith Hyem (Chair Person of Finance)	2	5
Mr Fayaz Khuhro (Community Trustee)	5	5
Mr John Harrison (Staff Trustee)	5	5
Mrs Jan Shrigley (Staff Trustee) – left 31/8/21		

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by :

- By reviewing, streamlining staff and redeploying where we could enhance value for money. Appointing new staff to ensure we focused on changing demands, technologies and provision of opportunities to enhance the excellent Ofsted report, small intervention teaching groups across the whole Academy for all abilities and new finance/management systems/pay online systems.
- Maximising efficiency and effectiveness of our learning environment to ensure excellent conditions for pupil learning and staff well-being.
- Ensuring directed use of Pupil Premium to ensure disadvantaged pupils make strong Academic Progress as reflected in the excellent Ofsted report and progress reports for all children

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's 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 Dorington Academy for the period from 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 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.

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Governance statement for the year ended 31 August 2021 (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Nigel Smith of drb Schools and Academies Limited to complete internal control reports.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On a termly/quarterly basis, the Internal Control reports go to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Last review undertaken June 2021 and findings presented to Accounting Officer and subsequently to Finance and Buildings Committee.

Review taken of External Suppliers and service providers, Funding reconciliations, Other Income, Salaries, bank account reconciliations.

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Governance statement for the year ended 31 August 2021 (continued)

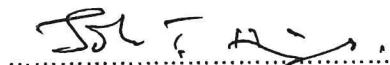
Review of Effectiveness

As accounting officer, L Barratt (Head Teacher) (the principal) 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 reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 15 December 2021 and signed on its behalf by:



J Hemmings
Chair of Trustees



L Barratt
Accounting Officer

Dorrington Academy Trust
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance
for the period ended 31 August 2021

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

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

I confirm that I and the Academy board of trustees do not agree with the auditor's opinion that some of the transactions and activities conducted by the Academy were novel and contentious. Our opinion is that these transactions and activities were not novel and contentious.

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



..... L Barratt – Accounting Officer

15 December 2021

Dorrington Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
for the period 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 in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2021 and signed on its behalf by:


..... J Hemmings – Chair of Trustees

Dorrington Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
Dorrington Academy Trust

Opinion

We have audited the financial statements of Dorrington Academy Trust for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including 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 trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Dorrrington Academy Trust

(continued)

Other information

The other information comprises the information included in the trustees 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 matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Dorrington Academy Trust
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 16), the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company 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 reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Dorrrington Academy Trust

(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the academy trust'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 charitable company'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

17 December 2021

**Dorrington Academy Trust
(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Dorrrington Academy Trust
and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 March 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 Dorrrington Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Dorrrington Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dorrrington Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 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 period 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 Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Dorrington Academy Trust
(A Company Limited by Guarantee)

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

Approach (continued)

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Conclusion

In the course of our work we identified transactions and activities which, in our opinion, are novel and contentious under the rules laid down in section 5.5 of the Academies Trust Handbook. These transactions and activities were outside those which we consider to be the normal activities of an academy and of which the trust had no previous experience or expertise. These activities and transactions would be likely to cause criticism and undue adverse publicity amongst the public, media and parliament and expose the trust to significant risk and potential liability. No prior approval of these was sought from the ESFA and the expenditure which arose from these activities was not, in our opinion, disbursed in accordance with what parliament intended.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

17 December 2021

Dorrington Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2020/21 £	Total 2019/20 £
Income from :							
Donations and capital grants	2	-	-	-	38,274	38,274	11,102
Charitable activities :	3						
Funding for the academy trust's educational operations		41,443	-	3,169,586	-	3,211,029	3,099,624
Investments	4	55	-	-	-	55	317
Total		41,498	-	3,169,586	38,274	3,249,358	3,111,043
Expenditure on :							
Charitable activities:							
Academy trust educational operations	5	41,498	177,000	3,065,468	213,223	3,497,189	3,387,278
Total		41,498	177,000	3,065,468	213,223	3,497,189	3,387,278
Net income/(expenditure) before transfers		-	(177,000)	104,118	(174,949)	(247,831)	(276,235)
Transfers between funds	13	-	-	(336,684)	336,684	-	-
Net income/(expenditure) after transfers		-	(177,000)	(232,566)	161,735	(247,831)	(276,235)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13, 20	-	(233,000)	-	-	(233,000)	(458,000)
Net movement in funds		-	(410,000)	(232,566)	161,735	(480,831)	(734,235)
Reconciliation of funds							
Total funds brought forward	13	29,705	(2,835,000)	356,840	6,685,136	4,236,681	4,970,916
Total funds carried forward		29,705	(3,245,000)	124,274	6,846,871	3,755,850	4,236,681

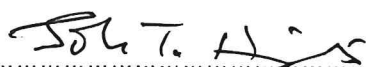
All of the Academy's activities derive from continuing operations during the above two financial periods.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Company number : 08049062
Balance sheet as at 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		6,846,871		6,685,136
Current assets					
Debtors	11	76,596		71,580	
Cash at bank and in hand		<u>431,108</u>		<u>434,526</u>	
		507,704		506,106	
Liabilities					
Creditors: amounts falling due within one year	12	<u>353,725</u>		<u>119,561</u>	
Net current assets			153,979		386,545
Net assets excluding pension liability			7,000,850		7,071,681
Defined benefit pension scheme liability	20		(3,245,000)		(2,835,000)
Total net assets			<u>3,755,850</u>		<u>4,236,681</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	6,846,871		6,685,136	
Restricted income fund	13	124,274		356,840	
Pension reserve	13	<u>(3,245,000)</u>		<u>(2,835,000)</u>	
Total restricted funds			3,726,145		4,206,976
Unrestricted income funds	13		29,705		29,705
Total funds			<u>3,755,850</u>		<u>4,236,681</u>

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on 15 December 2021 and are signed on their behalf by:



Mr J Hemmings - Chair of Trustees

Dorrington Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by operating activities	16	333,211	12,184
Cash flows from investing activities	17	(336,629)	(100,495)
Change in cash and cash equivalents in the reporting period		<hr/> (3,418)	<hr/> (88,311)
Cash and cash equivalents at 1 September 2020		434,526	522,837
Cash and cash equivalents at 31 August 2021	18	<hr/> 431,108	<hr/> 434,526

Dorrington Academy 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), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

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

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

Dorrington Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets

Assets costing £500 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 over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Furniture and equipment	- 25% reducing balance
Computer hardware	- 20% straight line

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.

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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. 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.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

Dorrington Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	-	10,974	10,974	11,102
Donated fixed assets	-	-	27,300	27,300	-
	-	-	38,274	38,274	11,102
2020 total	-	-	11,102	11,102	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	2,484,825	-	2,484,825	2,447,710
Other DfE Group grants					
Pupil premium	-	269,112	-	269,112	78,265
UFSM	-	67,580	-	67,580	271,893
Teachers pension	-	85,739	-	85,739	85,141
Teachers pay	-	30,344	-	30,344	30,132
Others	-	35,520	-	35,520	21,350
	-	2,973,120	-	2,973,120	2,934,491
Other government grants					
Local authority grants	-	147,342	-	147,342	121,182
Other income from the academy trust's educational operations	41,443	-	-	41,443	42,351
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	48,320	-	48,320	-
Other DfE/ESFA Covid-19 funding	-	-	-	-	1,600
Covid-19 additional funding (non DfE/ESFA)					
Other Covid-19 funding	-	804	-	804	-
	41,443	196,466	-	237,909	165,133
	41,443	3,169,586	-	3,211,029	3,099,624
2020 total	42,351	3,057,273	-	3,099,624	

The academy received £48,320 of funding for catch-up premium and costs incurred in respect of this funding totalled £48,320.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

4. Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	55	-	55	317
2020 total	317	-	317	

5. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2020/21 Total £	2019/20 Total £
Academy's educational operations					
Direct costs	2,126,854	121,515	80,166	2,328,535	2,341,108
Allocated support costs	568,418	265,969	334,267	1,168,654	1,046,170
	<u>2,695,272</u>	<u>387,484</u>	<u>414,433</u>	<u>3,497,189</u>	<u>3,387,278</u>
2020 total	2,559,639	395,026	432,613	3,387,278	

Net income/(expenditure) for the period includes :

		2020/21 £	2019/20 £
Operating leases	- plant and machinery	1,506	-
Depreciation		213,223	194,933
Fees payable to auditor	- audit	7,900	7,500
	- other services	<u>750</u>	<u>-</u>

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2020/21 Total £	2019/20 Total £
Educational operations					
Direct costs	3,396	-	2,325,139	2,328,535	2,341,108
Support costs	38,102	177,000	953,552	1,168,654	1,046,170
	<u>41,498</u>	<u>177,000</u>	<u>3,278,691</u>	<u>3,497,189</u>	<u>3,387,278</u>
2020 total	42,668	112,000	3,232,610	3,387,278	

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Notes to the financial statements for the year ended 31 August 2021 (continued)

6. Charitable activities (continued)

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2020/21 Total £	2019/20 Total £
Analysis of support costs					
Support staff costs	-	177,000	391,418	568,418	487,378
Depreciation	-	-	91,708	91,708	86,000
Technology costs	-	-	44,925	44,925	27,301
Premises costs	-	-	175,767	175,767	200,093
Legal costs	-	-	39,347	39,347	8,097
Other support costs	38,102	-	200,782	238,884	229,609
Governance costs	-	-	9,605	9,605	7,692
Total support costs	<u>38,102</u>	<u>177,000</u>	<u>953,552</u>	<u>1,168,654</u>	<u>1,046,170</u>
2020 total	<u>23,760</u>	<u>112,000</u>	<u>910,410</u>	<u>1,046,170</u>	

7. Staff

a) Staff costs

Staff costs during the period were:	2020/21 £	2019/20 £
Wages and salaries	1,871,581	1,810,982
Social security costs	165,294	164,861
Pension costs	658,397	570,911
	<u>2,695,272</u>	<u>2,546,754</u>
Agency staff costs	-	12,885
	<u>2,695,272</u>	<u>2,559,639</u>

b) Staff numbers

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

	2020/21 Number	2019/20 Number
Teachers	28	30
Administration and support	58	66
Management	7	6
	<u>93</u>	<u>102</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Staff (continued)

c) Higher paid staff

	2020/21 Number	2019/20 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	2	2
£110,001 - £120,000	1	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £616,514 (2020 : £476,469).

8. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows :

L Barratt (headteacher and trustee)	
Remuneration	£115,000 - £120,000 (2020 : £115,000 - £120,000)
Employer's pension contributions paid	£25,000 - £30,000 (2020 : £25,000 - £30,000)
J Harrison (staff trustee appointed 1/9/20)	
Remuneration	£65,000 - £70,000 (2020 : £nil)
Employer's pension contributions paid	£15,000 - £20,000 (2020 : £nil)
J Shrigley (staff trustee)	
Remuneration	£35,000 - £40,000 (2020 : £35,000 - £40,000)
Employer's pension contributions paid	£5,000 - £10,000 (2020 : £5,000 - £10,000)
L Cosnett (staff trustee)	
Remuneration	£5,000 - £10,000 (2020 : £nil - £5,000)
Employer's pension contributions paid	£0 - £5,000 (2020 : £nil - £5,000)
S Williamson (staff trustee, resigned 1/9/20)	
Remuneration	£nil (2020 : £55,000 - £60,000)
Employer's pension contributions paid	£nil (2020 : £10,000 - £15,000)
S Orgill (staff trustee, resigned 29/1/20)	
Remuneration	£nil (2020 : £20,000 - £25,000)
Employer's pension contributions paid	£nil (2020 : £5,000 - £10,000)

During the year ended 31 August 2021 travel and subsistence expenses totalling £937 (2020 : £192) were reimbursed or paid directly to two (2020 : one) trustees. Other related party transactions involving the trustees are set out in note 21.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

9. 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.

10. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2020	7,628,801	372,707	226,928	8,228,436
Additions	143,388	196,806	34,764	374,958
At 31 August 2021	<u>7,772,189</u>	<u>569,513</u>	<u>261,692</u>	<u>8,603,394</u>
Depreciation				
At 1 September 2020	1,038,285	293,513	211,502	1,543,300
Charge for the year	155,446	42,760	15,017	213,223
At 31 August 2021	<u>1,193,731</u>	<u>336,273</u>	<u>226,519</u>	<u>1,756,523</u>
Net book values				
At 31 August 2021	<u>6,578,458</u>	<u>233,240</u>	<u>35,173</u>	<u>6,846,871</u>
At 31 August 2020	<u>6,590,516</u>	<u>79,194</u>	<u>15,426</u>	<u>6,685,136</u>

Leasehold property was valued at 1 June 2012 by The Valuation Office Agency – DVS and the furniture and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2021 is represented by :

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Valuation in 2012	5,093,180	174,757	107,850	5,375,787
Cost	<u>2,679,009</u>	<u>394,756</u>	<u>153,842</u>	<u>3,227,607</u>
	<u>7,772,189</u>	<u>569,513</u>	<u>261,692</u>	<u>8,603,394</u>

11. Debtors

	2021 £	2020 £
VAT recoverable	25,102	7,644
Prepayments and accrued income	<u>51,494</u>	<u>63,936</u>
	<u>76,596</u>	<u>71,580</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

12. Creditors

	2021 £	2020 £
(a) Amounts falling due within one year :		
Accruals and deferred income	154,877	119,561
Other creditors	198,848	-
	<u>353,725</u>	<u>119,561</u>
Deferred income		
Deferred income at 1 September 2020	42,793	40,660
Resources deferred in the year	39,422	(40,660)
Amounts released from previous years	(42,793)	42,793
Deferred income at 31 August 2021	<u>39,422</u>	<u>42,793</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals.

13. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	356,840	2,484,825	(2,429,027)	(288,364)	124,274
UIFSM		67,580	(67,580)	-	-
Pupil premium	-	269,112	(269,112)	-	-
Catch-up premium	-	48,320	-	(48,320)	-
Other Covid-19 funding	-	804	(804)	-	-
Other grants	-	298,945	(298,945)	-	-
	<u>356,840</u>	<u>3,169,586</u>	<u>(3,065,468)</u>	<u>(336,684)</u>	<u>124,274</u>
Restricted fixed asset funds					
Transfer on conversion	4,268,838	-	(105,873)	-	4,162,965
DfE Group capital grants	64,393	10,974	(1,899)	-	73,468
Capital expenditure from GAG	2,351,905	-	(102,543)	288,364	2,537,726
Capital expenditure from Catch-up premium	-	-	(1,858)	48,320	46,462
Donation		27,300	(1,050)	-	26,250
	<u>6,685,136</u>	<u>38,274</u>	<u>(213,223)</u>	<u>336,684</u>	<u>6,846,871</u>
Pension reserve	<u>(2,835,000)</u>	<u>-</u>	<u>(177,000)</u>	<u>(233,000)</u>	<u>(3,245,000)</u>
Total restricted funds	<u>4,206,976</u>	<u>3,207,860</u>	<u>(3,455,691)</u>	<u>(233,000)</u>	<u>3,726,145</u>
Unrestricted funds					
Other income	29,705	41,498	(41,498)	-	29,705
Total unrestricted funds	<u>29,705</u>	<u>41,498</u>	<u>(41,498)</u>	<u>-</u>	<u>29,705</u>
Total funds	<u>4,236,681</u>	<u>3,249,358</u>	<u>(3,497,189)</u>	<u>(233,000)</u>	<u>3,755,850</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

13. Funds (continued)

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Comparative information in respect of the preceding period

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	438,056	2,447,710	(2,428,114)	(100,812)	356,840
UIFSM	-	78,265	(78,265)	-	-
Pupil premium	-	271,893	(271,893)	-	-
Other DfE/ESFA Covid-19 funding	-	1,600	(1,600)	-	-
Other grants	-	257,805	(257,805)	-	-
	<u>438,056</u>	<u>3,057,273</u>	<u>(3,037,677)</u>	<u>(100,812)</u>	<u>356,840</u>
Restricted fixed asset funds					
Transfer on conversion	4,376,048	-	(107,210)	-	4,268,838
DfE Group capital grants	54,685	11,102	(1,394)	-	64,393
Capital expenditure from GAG	<u>2,337,422</u>	<u>-</u>	<u>(86,329)</u>	<u>100,812</u>	<u>2,351,905</u>
	<u>6,768,155</u>	<u>11,102</u>	<u>(194,933)</u>	<u>100,812</u>	<u>6,685,136</u>
Pension reserve	<u>(2,265,000)</u>	<u>-</u>	<u>(112,000)</u>	<u>(458,000)</u>	<u>(2,835,000)</u>
Total restricted funds	<u>4,941,211</u>	<u>3,068,375</u>	<u>(3,344,610)</u>	<u>(458,000)</u>	<u>4,206,976</u>
Unrestricted funds					
Other income	<u>29,705</u>	<u>42,668</u>	<u>(42,668)</u>	<u>-</u>	<u>29,705</u>
Total unrestricted funds	<u>29,705</u>	<u>42,668</u>	<u>(42,668)</u>	<u>-</u>	<u>29,705</u>
Total funds	<u>4,970,916</u>	<u>3,111,043</u>	<u>(3,387,278)</u>	<u>(458,000)</u>	<u>4,236,681</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Analysis of net assets between funds

Fund balances at 31 August 2021
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	6,846,871	6,846,871
Current assets	29,705	-	477,999	-	507,704
Current liabilities	-	-	(353,725)	-	(353,725)
	<u>29,705</u>	<u>-</u>	<u>124,274</u>	<u>6,846,871</u>	<u>7,000,850</u>
Pension scheme liability	-	(3,245,000)	-	-	(3,245,000)
Total net assets	<u>29,705</u>	<u>(3,245,000)</u>	<u>124,274</u>	<u>6,846,871</u>	<u>3,755,850</u>

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	6,685,136	6,685,136
Current assets	29,705	-	476,401	-	506,106
Current liabilities	-	-	(119,561)	-	(119,561)
	<u>29,705</u>	<u>-</u>	<u>356,840</u>	<u>6,685,136</u>	<u>7,071,681</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	(2,835,000)	-	-	(2,835,000)
Total net assets	<u>29,705</u>	<u>(2,835,000)</u>	<u>356,840</u>	<u>6,685,136</u>	<u>4,236,681</u>

15. Commitments under operating leases

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

	Total 2021 £	Other Total 2020 £
Amounts due within one year	3,012	-
Amounts due between one and five years	4,512	-
	<u>7,524</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

16. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020/21 Total £	2019/20 Total £
Net income/(expenditure) for reporting period (as per the SoFA)	(247,831)	(276,235)
Adjusted for :		
Depreciation (note 10)	213,223	194,933
Capital grants from DfE and other capital income	(10,974)	(11,102)
Donated fixed asset	(27,300)	-
Interest receivable (note 4)	(55)	(317)
Defined benefit pension scheme cost less contributions payable (note 20)	133,000	72,000
Defined benefit pension scheme finance cost (note 20)	44,000	40,000
(Increase) / decrease in debtors	(5,016)	4,416
Increase / (decrease) in creditors	234,164	(11,511)
Net cash provided by operating activities	333,211	12,184

17. Cash flows from investing activities	2020/21 Total £	2019/20 Total £
Interest received	55	317
Purchase of tangible fixed assets	(347,658)	(111,914)
Capital grants from DfE Group	10,974	11,102
Net cash used in investing activities	(336,629)	(100,495)

18. Analysis of cash and cash equivalents	At 31 August 2021 £	At 31 August 2020 £
Cash at bank and in hand	431,108	434,526
	431,108	434,526

19. 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 (continued)

20. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midland Pension Fund. 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.

Contributions amounting to £45,784 (2020 : £nil) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both 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 four 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% employer administration charge)
- 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 is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £296,160 (2020 : £277,423).

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

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

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Notes to the financial statements for the year ended 31 August 2021 (continued)

20. Pension and similar obligations (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 £226,000 (2020 : £217,000), of which employer's contributions totalled £190,000 (2020 : £180,000) and employees' contributions totalled £36,000 (2020 : £37,000). The agreed contribution rates for future years are 22.0% for employers and between 5.5% and 6.5% for employees.

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 trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 25 years.

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.25%
Rate of increase for pensions in payment / inflation	2.90%	2.25%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.25%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,379	6,227	6,517	6,657
Projected service cost	381	369	393	399
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,379	6,535	6,244	6,112
Projected service cost	381	394	369	364

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

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Notes to the financial statements for the year ended 31 August 2021 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2021 £	31 August 2020 £
Equities	1,909,000	1,402,000
Government bonds	259,000	271,000
Other bonds	192,000	97,000
Property	220,000	188,000
Cash/liquidity	115,000	166,000
Other	439,000	373,000
Total market value of assets	3,134,000	2,497,000

The actual return on scheme assets was £457,000 (2020 : £181,000).

	2020/21 £	2019/20 £
Amount recognised in the statement of financial activities		
Current service cost	323,000	251,000
Net interest cost	44,000	40,000
Administration expenses	-	1,000
Total amount recognised in the SoFA	367,000	292,000

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

	2020/21 £	2019/20 £
At 1 September 2020	5,332,000	4,072,000
Current service cost	323,000	251,000
Interest cost	85,000	75,000
Employee contributions	36,000	37,000
Change in financial assumptions	819,000	311,000
Change in demographic assumptions	(80,000)	136,000
Change in experience gains/losses	(90,000)	478,000
Benefits paid	(46,000)	(28,000)
At 31 August 2021	6,379,000	5,332,000

Dorrington Academy Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2020/21	2019/20
	£	£
At 1 September 2020	2,497,000	1,807,000
Interest income	41,000	35,000
Actuarial gain/(loss)	-	321,000
Employer contributions	190,000	180,000
Employee contributions	36,000	37,000
Benefits paid net of transfers in	(46,000)	(28,000)
Administration costs	-	(1,000)
Return on assets less interest	416,000	146,000
	<hr/>	<hr/>
At 31 August 2021	3,134,000	2,497,000
	<hr/>	<hr/>
Net pension scheme liability	(3,245,000)	(2,835,000)

21. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

The following related party transaction(s) took place during the period:

Expenditure related party transaction

Miss L Barratt

Headteacher and accounting officer

Consultancy services provided to the academy during the year

2021	2020
£	£
5,500	10,000

Mr D Shrigley

Husband of Mrs J Shrigley, a staff trustee

Services provided to the academy during the year

2021	2020
£	£
44,311	36,308

Mrs J Shrigley

A staff trustee

Consultancy services provided to the academy during the year

2021	2020
£	£
-	2,500

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Notes to the financial statements for the year ended 31 August 2021 (continued)

21. Related party transactions (continued)

The trust conducted all of these transactions at arms' length and they were approved by the Governing Body.

All of the above services have been provided at no more than cost and each related party has provided a statement of assurance confirming this.