

Registered number: 08104111 (England and Wales)

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

Rob Woolston
Celia Varley
Carolyn Lewis (DLET Representative)
Richard Bettsworth (appointed 17 September 2020)
David Williams (resigned 16 September 2020)

Trustees

Jonathan Parsons
Paul Stone (Trust Leader and Accounting Officer)
Gary Sims
Edmund Green
Margaret Spence (re-appointed 9 July 2021)
David Williams
Richard Bettsworth (re-appointed 6 September 2020)
Shane Bray (re-appointed 24 October 2020)
Mihir Trivedi (re-appointed 8 August 2021)
Raj Tugnet (appointed 23 August 2021)

Company Secretary

Michelmores Secretaries Limited (resigned 1 April 2021)
Helen Stockill (appointed 16 April 2021)

Senior Management Team

Trust Leader	Paul Stone
Deputy Trust Leader	James Brown/Louise Barber
Director of Operations	Louise Barber
Finance Director	Emma Clarke
Director of Primary	David Briggs

Company Name

Discovery Schools Academies Trust Ltd

Principal and Registered Office

Kibworth Church of England Primary School, Hillcrest Avenue, Kibworth, LE8 0NH

Company Registered Number

8104111 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers

NatWest Bank Plc, Gateway House, 4 Penman Way, Grove Park, Enderby, Leicestershire, LE19 1WL

Solicitors

Michelmores Solicitors LLP, 6 New Street Square, London, WC2A 1JF

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
(A company limited by guarantee)

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 Trust operates a Multi-Academy Trust (MAT) of 13 schools for pupils aged 3 to 11 serving a catchment area in Leicester, Leicestershire and Rutland. It has a pupil capacity of 4,990 and had a roll of 4,420 in the school census in January 2021. On the 23rd August 2021, the articles of association were amended with a special resolution.

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 Discovery Schools Academies Trust Ltd (Discovery) are also the directors of the charitable company for the purposes of company law.

During the period, 13 individual Discovery primary schools operated under their own names:

- Kibworth Church of England
- Parkland
- Sileby Redlands
- Enderby Danemill
- Woolden Hill
- Mowmacre Hill
- Greystoke
- Farndon Fields
- Asfordby Captains Close
- Braunstone Community
- Fossebrook
- Merrydale
- Leighfield

Discovery also operated Affinity Teaching School Alliance (ATSA), EPIC Psychology and Wellbeing Service (EPIC) and Inspiring Leaders School Centred Initial Teacher Training (SCITT) during the year.

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.

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

The Trust shall have between three to eleven Trustees (also known as Directors) from the following categories:

- a) Up to 4 Trustees appointed by Members;
- b) Up to 2 Trustees appointed by Diocese of Leicester Education Trust;
- c) Up to 2 Staff Trustees appointed by Members – this provision is not used - in line with the DfE's preference (Governance Handbook) that no employees other than the Trust Leader should serve as a Trustee;
- d) Chief Executive Officer;
- e) Up to 2 Parent Trustees appointed by Trustees (in the event that no provision is made for parent representatives on Advisory Boards); and
- f) Up to 2 Co-opted Trustees appointed by the Trustees acting jointly and with the consent of the Diocesan Board of Education.

The above structure was a true reflection up to the point of an amendment to the articles of association which was delivered to Companies House on 23rd August 2021.

Discovery requires its Trustees to have a broad range of skills and previous experiences in order to be effective in governance. The Board maintains a skills audit of Trustees which is used to inform the recruitment process. Positions are predominately advertised through the Academy Ambassadors programme outlining the skills the Board seeks to recruit. Candidates are required to complete an application form and are invited to meet with the Chair of Trustees and Trust Leader. Completed applications are then assessed by the Partnership & Governance Committee for recommendation to the relevant appointing body.

Policies and Procedures Adopted for the Induction and Training of Trustees

A detailed induction programme is designed for each new Trustee overseen by the Chair of the Board and co-ordinated by the Head of Governance. Induction takes place through a range of activities which include meetings with key trust staff, training and access to governance support. Trustees are provided with copies of key strategies, policies, plans, minutes, accounts and other trust documentation to enable them to fulfil their responsibilities. Regular training and trust updates are provided to all Trustees to enable them to keep up to date with changes in legislation and ensure they continue to deliver effective governance.

Organisational Structure

The Trust has established a management and governance structure to enable efficient and effective running of the organisation. The structure consists of three levels: the Board of Trustees, the Trust Leadership Team (who are the Senior Leadership Team of the Trust) and local school Advisory Boards.

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TRUSTEES' REPORT (continued)
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Board of Trustees

The Board of Trustees is responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes, appointing the Trust Leader and approving major investment programmes. The Board operates four committees to provide detailed scrutiny:

- Finance, Audit & Risk;
- Education Standards;
- Partnership & Governance; and
- Human Resources.

Trust Leadership Team

The Board has appointed senior officers to act as the Trust Leadership Team on their behalf. The Trust Leader is the designated Accounting Officer and is responsible for the operational and financial management of the Trust, accountable to the Board of Trustees. The Trust Leader is supported by a Trust Leadership Team which comprises of: Deputy Trust Leader, Finance Director, Director of Operations and Director of Primary Education. The Trust Leadership Team are responsible for the day-to-day operation of the Trust, identifying areas of development and formulating strategy to present to the Trust Board, implementing trust policies and reporting back to Trustees. The Director of Primary, supported by the School Improvement Partner is responsible for overseeing local school leadership (Headteachers) and offering strategic advice in respect of development, teaching and learning. The Headteacher of each school is directly responsible for its day-to-day running and is assisted by their Senior Leadership Team. They are accountable for the educational and financial performance of their school and implementing trust-wide strategies.

Advisory Boards

Advisory Boards have delegated authority from the Board of Trustees to support effective governance and oversight. The Advisory Board has a key role in influencing the development of the school and ensuring it is meeting the needs of children. Advisory Boards have some delegated decision-making authority and act as a 'critical friend' to the Headteacher providing a forum for discussion of strategy and policy matters to ensure the education delivered meets the needs of children locally. Advisory Boards are made up of a mix of local people including staff, parents and local community representatives.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Senior Leadership Team, including the Trust Leader, is determined by the Human Resources Committee operating under delegated powers from the Board. Headteachers pay is set in line with teacher's pay and conditions.

Senior roles are benchmarked taking into consideration the following:

- Internal job size and internal pay relativities;
- Relevant external market positioning and benchmarking data; and
- Individual experience, performance and contribution.

The Human Resources Committee through performance management, review the pay and remuneration of the Trust Leader with external independent advice. Individual Headteacher pay progression is approved by the Trust Leader and monitored by the Human Resources Committee.

Moving forward, the intention will be to implement a new Appraisal Policy and procedure with a robust focus of professional growth and ongoing performance improvement. This will align to a whole trust Pay Policy which will incorporate all employees (Teaching and Support staff).

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TRUSTEES' REPORT (continued)
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Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period 1

Full-time equivalent employee number 0.99

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£362.71
Provide the total pay bill	£22,333,000
Provide the percentage of the total pay bill spent on facility time, calculated as: <i>(total cost of facility time ÷ total pay bill) x 100</i>	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 100%

Related Parties and other Connected Charities and Organisations

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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The transactions undertaken with related parties in the year are detailed in note 31.

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TRUSTEES' REPORT (continued)
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Engagement with employees (including disabled persons)

Discovery operates a safe and fair recruitment and selection process, which includes a 'blind recruitment' process where candidates are shortlisted only by their skills and experiences, written on application forms. Recruitment and selection is regularly reviewed to take into account the Equalities Act 2010 requirements protecting individuals from discrimination and is a key feature of the Trusts' Equality Strategy. At Discovery we believe we are greater when we are different and actively promote equality of opportunity, encouraging participation and promoting positive attitudes towards all employees. Reasonable steps are considered when supporting an individual's disability, even where that may involve favourable treatment. An Equality Consultative working group, with representation from across all schools, is well established and actively supports and monitors the implementation of the strategy whilst championing the voice of protected groups to help promote and raise awareness around equality issues and inclusion challenges.

Discovery strives to engage and consult with all staff at every opportunity. Engagement methods includes staff handbooks, staff intranet, Teams, dedicated network groups and staff surveys regarding individual welfare and trust strategy. Recently the Trust invited all employees to complete an employee assessment through the Global Equality Collective (GEC) to provide the Trust with a complete 360-degree view of Discovery's equality and inclusion status, that will help pinpoint gaps for training and development across the Trust.

A formal Joint Consultative Group meeting takes place termly with Trade Union representatives and staff representatives to consider organisational change and review contractual policies to further support the consultative process, this includes policies such as the pay policy.

Executive teams and Headteachers meet monthly to review both operational and strategic matters and information is disseminated at school level through weekly SLT and staff meetings.

Monthly engagement is made through a collaborative structure of Office Managers network meetings which includes a termly joint meeting with Premises Officers. Such meetings give opportunities for partnership working, sharing information and receiving feedback which can then be fed back to wider groups of trust colleagues.

Technology is continually reviewed to ensure that means of communications are effective and efficient and readily accessible and understood by all that use it. A Trust intranet continues to act as a source for Trust information as well as a tool for sharing updates and guidance on planned activities to seek feedback and improve communications.

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

The Trust actively encourages engagement using a variety of tools such as websites, email, audits, policies, face to face consultation, social media and published statutory reporting. The Trust completes the Payment Practices and Performance reporting requirement twice a year to provide valuable information to potential suppliers regarding payment terms. Throughout COVID-19, the Trust have worked closely with all suppliers and various stakeholders in line with Cabinet Office Procurement Policy Notes.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our Mission:

Our fundamental purpose is to ensure that all our pupils realise their potential.

Our Vision:

Discovery aspires to achieve **excellence** in all areas of our work. The children and families we work with have confidence in the teachers and leaders of the Trust who act with **integrity** and demonstrate **respect** for individual needs. Discovery aspires for all our schools to become **sustainable** and **altruistic**, driven by a passion for working in **partnership** with all stakeholders.

Our schools share a fundamental belief in the power of partnership and collaboration in improving the opportunities and outcomes for all pupils and staff alike.

Within Discovery, all schools, leaders and pupils are encouraged to share their expertise and knowledge to help everyone reach their full potential, this is accomplished through collaborative learning and the removal of barriers to support everyone to achieve.

Our highly effective and self-improving schools learn together, share leadership, resources and talent to develop the next generation of teachers and learners, building innovative learning opportunities to ensure that all children achieve their potential. All professionals within our schools take responsibility for progress and attainment of their children.

We aim to build self-led learning communities where schools work together to improve. Schools gain autonomy as they improve and contribute to the system. Achieving deep partnerships and effective Joint Practice Development are vital to learn from each other. We create learning communities that are:

- Committed to continuous improvement;
- Part of a forward-thinking organisation;
- Providing a curriculum that ensures achievement for all pupils;
- Improving access to educational services for those who need support;
- Effective learning spaces that maximise learning; and
- Reduce the barrier for disadvantaged children.

Objectives, Strategies and Activities

Discovery has a strategic plan in place for 2020-2024 which outlines five strategic goals along with an annual focus and key planned activities. 20/21's focus includes:

- *Excellence for all* – Develop the structure of school improvement to focus on raising attainment particularly for the most disadvantaged children to ensure that all schools' Reading, Writing, Maths outcomes are above national average through effective COVID recovery planning;
- *Effective Central Services* – Improve the strategic and operational capacity of the HR team to be more focused on the development of bespoke policy and practice for Discovery whilst improving its response rate to the needs in schools;

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- *Effective Partnerships* – Develop mutually beneficial relationships with likeminded organisations to further the aims of the Trust in light of the national changes in TSA reorganisation, licence provisions and regional school improvement structures;
- *Build a sustainable organisation* – Launch the Trust sustainability strategy and monitoring system to reduce all centres impact on the environment; and
- *Remove barriers to learning* – Implement an Equality Strategy that supports pupils and adults to reach their full potential allowing their voices to be heard, considered and actioned.

The Trust strategy is underpinned by Raising Attainment Plans and departmental strategies for key areas such as finance, operations, ICT, safeguarding and governance. Progress is monitored at a local and board level termly using KPI's.

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Trust's activities have been undertaken to further the Academy Trust's purpose to advance public benefit education in the UK. Activities are not arranged to provide any financial return to members.

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STRATEGIC REPORT

Achievements and Performance

The Trust focused on five key areas during the year and have made substantial progress, despite COVID-19 in their achievement:

Excellence for all – Develop the structure of school improvement to focus on raising attainment particularly for the most disadvantaged children to ensure that all schools' Reading, Writing, Maths outcomes are above national average through effective COVID recovery planning:

2021 has continued to be a challenging year in many ways however despite this, Discovery are proud to have achieved the following:

- Completion of all external 2019 tests for all statutory school age assessment EYFS Phonics, Year 2 Year 4 tables and Year 6 SATS. This will provide the Trust with a moderated data set internally for comparisons and historical bench marking;
- Schools continue to develop their blended learning curriculum and teaching practice. All schools have a clear implementation plan for curriculum and pedagogical changes;
- Pupil Parliament continues to be hugely successful, several schools from Derbyshire and Wiltshire have joined to observe the discussions and how we encourage pupil voice;
- All trust schools have received a school improvement visit to identify key needs in readiness for 21/22;
- School review (formally peer review) process has been evaluated and revised to focus on the most in need schools and provide greater rigor & formality. These reviews will now be conducted using the Ofsted framework;
- A new software package for data analysis and small step target setting has been purchased to allow targeted groups and intervention from data. This will be fully implemented for Sept 21;
- Implementation of a 3-part plan (whole school approach, targeted approach and wider strategies) for Pupil Recovery Strategy which will be embedded from Sept 21; and
- Edtech programme supporting over 600 schools and 1000+ teachers.

Effective Central Services – Improve the strategic and operational capacity of the HR team to be more focused on the development of bespoke policy and practice for Discovery whilst improving its response rate to the needs in schools:

There has been rapid progress made against this objective, despite a number of unexpected and uncontrollable set backs. Key achievements include:

- Fully inducted team with further expansion planned;
- Fully embedded & effective HR Helpdesk service in place;
- Policies and practice have been reviewed and developed;
- The Trust Appraisal policy has now been agreed and shared with union reps. It will be implemented next academic year with key milestones so that it will be fully implemented by the end of the year;
- The existing pay policy has been reviewed, revised & shared with unions;
- The Trust was awarded national Flexible Working Ambassador school status; and
- The Equality Consultation Group is now in place & has met several times to review trust values and systems.

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Effective Partnerships – Develop mutually beneficial relationships with likeminded organisations to further the aims of the Trust in light of the national changes in TSA reorganisation, licence provisions and regional school improvement structures:

The Trust is delighted to have secured growth with 2 SEMH schools joining the Trust in September 2021 and a new free school for primary age pupils agreed for development. Discovery was successfully awarded a TCaF grant which was vital in the achievement of this objective. Further growth is anticipated but is currently in its infancy.

Build a sustainable organisation – Launch the Trust sustainability strategy and monitoring system to reduce all centres impact on the environment:

The Trust has taken great strides in this area, key achievements include:

- 22 teams from across the Trust entered the online debating competition. The children debated 3 environmental issues. It was a huge success and will become an annual Trust event;
- Development of a stakeholder sustainability group; and
- Additional measures to improve energy efficiency and reduce our emissions (see Streamlined Energy and Carbon Reporting).

Remove barriers to learning – Implement an Equality Strategy that support's pupils and adults to reach their full potential allowing their voices to be heard, considered and actioned:

This objective has seen some real progress, with key achievement being:

- Provision of holiday clubs for schools & families;
- All schools have purchased the Prosperity Project resource which is a tool to help schools decolonise the Curriculum and identify links to celebrate diversity;
- All schools have completed the self-review survey with The Global Equal Collective (GEC) app. This will identify key areas of development for each school to focus their equality strategy and work;
- Blind recruitment now in place & being reviewed by the Equality Consultation Group; and
- A trust wide review of pastoral support provided to our pupils has been conducted.

Key Performance Indicators

The following key performance indicators have been developed for each objective:

Excellence for all

- 100% of Trust schools will be judged by Ofsted as 'Good' or better:

Inadequate	Require Improvement	Good	Outstanding
0	0	12	1

100% of our current Trust schools have been judged as good or better therefore this KPI continues to be achieved.

- The Trust year 6 RWM average is at or above National Average;
- The Trust year 4 Tables average is at or above National Average; and
- The Trust year 1 phonics average is at or above National Average

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Obviously, COVID-19 has impacted of the Trust's ability to accurately assess performance against these KPI's , however based on internal assessment, Discovery achieved only 2% less than the 2019 national average in year 6 RWM, 7% less than the 2019 national average for year 1 phonics and exceeded the Trust average pass mark for year 4 tables.

Effective Central Services:

- Staff survey: Employee job satisfaction score increases by 10%;
- HR services achieves 100% satisfaction from all schools;
- Pay policy adopted to create a single bespoke Trust scale; and
- 100% GDPR training completed trust wide.

There was an increased participation rate for the staff satisfaction survey in 2020. 534 colleagues completed the annual questionnaire which equated to 70% of the entire workforce compared with 50% participation from the previous year and only 40% from the year before that. Results demonstrate that year on year job satisfaction rates improve, however, the Trust are keen maintain a focus in this area of development to ensure staff continue to feel fulfilled in their roles.

Discovery continues to develop and make improvements to the HR Central Service. The results of an inaugural HR Service survey completed in the late autumn of 2020 clearly demonstrated the high regard, schools have of the HR support they receive from central service team colleagues. All schools participated in the survey and all schools claimed they were satisfied with the service. Feedback submitted as part of the survey has helped shape future service improvements and identify any training requirements.

Following policy review work undertaken during the year, a new whole Trust Pay policy will be introduced at the start of the 2021-22 academic year to replace two separate pay policies for teaching and support staff colleagues. Whilst the Trust aspired to create one pay scale that applied across both groups of staff, it was decided, that such an approach could negatively impact the organisation and have a potential detriment effect on the Trust becoming an 'Employer of Choice'. Consultation with Trade Unions Groups and key stakeholders encouraged the development of a single Pay Policy with two pay scales, which was adopted by Trustees and is being launched alongside a new Appraisal policy and procedure in the Autumn 21.

Data Protection and individuals' awareness of personal responsibilities in line with General Data Protection Regulations (GDPR) continues to be a high priority across the whole organisation. Annual GDPR training is completed by all staff to raise awareness and to ensure colleagues are aware of what constitutes a breach situation and how to deal with it.

Effective Partnerships

- The Trust has secured a strategic partner; and
- SCITT partnership structure is in place allowing effective delivery across 4 MAT partnership.

These KPI's have been fully met with Discovery now a partner of Inspiring Leaders and the North Leicestershire TSA hub.

Build a sustainable organisation

- Trust can show its solar energy production & its reduction in energy across all schools;
- All trust schools are involved within trust wide project linked to sustainability; and
- 100% of employees have a career development plan and key talent in identified from this for key roles.

All possible trust schools (92%) now have fully functional PV systems installed resulting in lower energy costs. The Trust are also developing & analysing electricity data to identify consumption trends. This information will be used to guide initiatives such as light sensors & LED lighting.

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A Green Sustainability group has been established, which consists of a broad cross-section of trust staff who consider a range of themes such as curriculum, teaching & learning, recycling and biodiversity. All trust schools are involved in a sustainability project which the group plan to consolidate, showcase and share learning amongst all trust schools (and wider).

Career development plans continue to be a development area as part of a new Appraisal policy being launched for Autumn 21. It will roll over into the new academic year and become a new KPI target linked to this event.

Remove barriers to learning

- The Trust has established a core set of devices which are loaned to most disadvantaged children for blended learning;
- 100% of schools have completed the Leicestershire e-safety award; and
- 98% of employees feel that they work for an inclusive organisation

Discovery is proud to have provided approx. 550 devices to our most disadvantaged children through DFE Schemes and Charity Donations.

Currently 31% of our schools have completed the e-safety award. COVID-19 regulations have impacted the Trusts ability to fully achieve this KPI but we fully expect this to be achieved during 21/22 as well as all schools applying for the Online Safety Mark.

Whilst much work has been done to develop a new Equality Strategy and Equality Consultative group and now have established Equality, Diversity and Inclusion objectives; data is not yet available to suitably measure this KPI. The Trust has been proactive in signing up to the Global Equity Collective and has launched an employee assessment to obtain a 360-degree viewpoint of the organisation's equality and inclusion status (data still pending) and also intend to utilise the staff survey to gauge employee feeling of inclusivity so will be rolling this KPI into the new year.

Going Concern

The Trust budget and forecast on a 3-5 year basis to foresee and mitigate against potential long term financial challenges. Annual forecasted outturns are reviewed and updated on a monthly basis which allows the Trust to understand & minimise the financial impact of unforeseen short-term challenges such as COVID-19.

On this basis, 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.

Promoting the success of the company

At Discovery, we are proud of our achievements and the positive reputation this has generated among our stakeholders. These achievements are celebrated with our stakeholders through events such as our trust Awards which are key to building and maintaining valuable relationships. Discovery constantly reflect, learn and adapt our practices to ensure that we are always building upon previous success.

The Trust have a 3-5 year strategic plan which guides both short and long-term decision making and prioritises the use of resources. This strategy supports and draws on our Trust values of Altruism, Sustainability, Partnership, Integrity, Respect & Excellence to the benefit of all stakeholders. The Trust also has a comprehensive bank of policies which provides a consistent, fair and considered approach during the successful delivery of the strategic aims. These policies are consulted on prior to adoption and aim to ensure that Discovery continue to be a collaborative trust that delivers with high standards.

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FINANCIAL REVIEW

Over 92% of the Trust's income is derived from central government grant to support its educational objectives, broadly based on pupil numbers attending individual academies within the Trust. The Trust has delivered a £318k revenue surplus during the year (after pension movements have been excluded) which included agreed investment of excess reserves in technology and to support the delivery of the strategic aims as detailed above. As with all organisations, COVID-19 has had a detrimental effect on Discovery's 20/21 outturn due to incurring unexpected unrecoverable COVID-19 related costs and a loss of planned income.

Despite this, the Trust continues to maintain reserves at both an operational and strategic level in line with the Reserves Policy.

The summary financial performance for 2020/2021 is as follows:

	£'000
Income	26,770
Expenditure	<u>(28,428)</u>
Deficit for year	<u>(1,658)</u>

Reserves Policy

The Trust have categorised reserves for two purposes:

Operational Reserves – These reserves are the minimum funds the Trust will hold to support the following:

- Unplanned short-term financial difficulties;
- Cash flow variances; and
- Contingency against unforeseen events such as urgent or emergency requirements.

Operational reserves are set as a minimum percentage of General Annual Grant (GAG) in addition to capital and restricted funds.

Strategic Reserves – These are funds that the Trust will reserve in addition to the operational reserves to support foreseen strategic expenditure such as:

- Projected and unavoidable deficits in the preceding two years;
- Capital investment to maintain and replace the Trust buildings, plant and equipment;
- Investment in school improvement to benefit current pupils;
- Investment in the growth of the Trust;
- Support the Trust 3-5-year strategy; and
- Mitigation against identified risks.

Strategic reserves are set as an additional maximum percentage of GAG, in addition to capital and restricted funds.

The Trust and its' academies are required to:

- Regularly review the nature of income and expenditure streams and the need to match income with commitments;
- Identify and maintain an appropriate level of free (uncommitted) reserves;
- Consider the set aside of funds for significant projects or growth that cannot be met by future income alone; and
- Ensure that any change in policy is approved by Finance, Audit and Risk Committee.

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The value of unrestricted reserves held by the Trust are currently £2,241,000, which is above the maximum reserves value. These additional reserves are earmarked for the planned SEN Cluster trust growth in September 2021 and recovery from COVID-19 through supporting & enhancing teaching and learning by providing additional teacher development time.

The Trust have assumed an annual 0.5% increase in the current Local Government Pension Scheme employer contribution in line with the currently reported pension deficit position.

At 31 August 2021 the total funds comprised:

		£,000
Unrestricted		2,241
Restricted:	Fixed asset funds	32,241
	Pension reserve	(20,033)
	Other	150
		<u>14,599</u>
		<u><u>14,599</u></u>

Investment Policy

Discovery has an Investment Policy designed to:

- Optimise a return on working capital whilst allowing effective access to funds;
- Balance risk against return by avoiding risk rather than maximising potential returns; and
- Follow a guiding principle for ethical investments.

The policy investment principles include:

- Selecting investments based on low risk and easily-accessibility. Funds will be placed in investments with a withdrawal notice of no more than 12 weeks;
- Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation;
- Funds will only be placed with financial institutions that are regulated by the Financial Conduct Authority and with good credit ratings; and
- Ethical investments in line with the Trust values should only be considered.

No investments are currently in place however on an operational level, all cash is now consolidated into one current account along with a higher interest reserve account with institutions approved by the Finance, Audit & Risk Committee.

Principal Risks and Uncertainties

The principal risks facing the Trust are:

- **Human Resources risk** – The Trust have seen an increase in HR demand which may exceed the capacity of a newly formed team. Discovery now has very clear policies and procedures including a thorough induction process for new Trust staff. Performance management policies have been reviewed and revised and an annual staff survey is issued to identify issues and trends across the Trust.
- **Financial Sustainability risk** – Small, rural schools are a financial challenge and the SEN cluster joining the Trust will also bring financial challenges. Robust risk mitigation strategies are in place which are monitored by the Finance, Audit and Risk Committee and the Board. These strategies focus on pupil

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

occupancy growth, Trust growth, working collaboratively with the Local Authority, ensuring maximum efficiency, senior leaders CPD, marketing, revised leadership models and identifying additional income opportunities.

- **Leadership risk** – Potential of limited strategic development due to leadership pressures. This risk is being supported by HR developments such as induction and CPD development in addition to the provision of leadership coaching.
- **Attainment and progress risk** – Year 6 reading, writing and maths and year 4 tables and phonics is a primary risk for the Trust which is predominantly due to the effects of COVID-19. The Trust have invested in developing Teacher Development time from Sept 21 which aims to invest in the quality of our teaching provision & support our pupils post COVID-19. Discovery have also revised and formalised the school review process and conducted school improvement visits to identify priority schools and ensure robust COVID-19 recovery plans are in place.
- **Reputational risk** – Reputation damage if a school were to be graded less than good by Ofsted. A review of leadership structures and responsibilities has been conducted which has been underpinned by a robust CPD programme. In line with the attainment & progress risk, Discovery have also revised and formalised the school review process and conducted school improvement visits to identify priority schools and ensure robust COVID-19 recovery plans are in place.

Discovery operates a comprehensive risk management system. A robust Risk Register, identifying significant risks, controls and planned assurances is developed and reviewed by school leaders and Trust staff for each individual Academy/department on a termly basis. Consolidated Trust risks are presented and monitored by the Finance, Audit and Risk Committee where key risks are identified to be monitored at Board level based on their severity.

FUNDRAISING

Fundraising is predominantly led by Schools' Parent Teacher Association's (PTA) through conducting school and community-based activities to raise funds for the school.

Additional fundraising takes place from parents via pupil learning initiatives. Parents are made aware of the activity and the purpose of fundraising. All donations are made on a voluntary basis.

No fundraising is conducted on the Trust's behalf or complaints received.

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

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	5,802,661	5,425,975
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	669.38	584.51
Owned transport – mini-buses	2.59	1.21
<u>Total scope 1</u>	671.97	585.72
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	456.10	523.88
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	6.41	10.74
Total gross emissions in metric tonnes CO₂e	1,134.47	1,120.33
<u>Intensity ratio</u>		
TonnesCO ₂ e per pupil	0.26	0.26

Qualification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- We have installed smart meters across 80% of sites to improve our understanding of energy consumption;
- We have analysed our energy data and identified focused areas of efficiency;
- We have installed PV panels on the roof of the Trusts academies with the aim of reducing energy consumption by over 20%;
- We have installed solar thermal panels on the roof of 92% of trusts academies;
- We have reviewed and updated our heating controls strategy;
- We have begun a LED replacement project to identify, priorities and replace lights in schools;
- We have a five year plan to upgrade all our boilers saving over 15% on our gas consumption;
- We have serviced, reviewed and adjusted all the setting on the ventilation and cooling and expect to reduce energy consumption; and
- We have maintained remote working to reduce staff travel.

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

PLANS FOR FUTURE PERIODS

Based on the assessment of Trust performance during 20/21, the focus for the Trust during 21/22 will include:

Excellence for all

Teacher Development Time initiative with the aim of developing teacher practice, through coaching focused on improving outcomes for disadvantaged children.

Effective Central Services

Ensure all services are able to meet new structures & school needs. Key themes will include GDPR and data development.

Effective Partnerships

SEND cluster integration and development upon conversion.

Build a sustainable organisation

Succession planning and central team structure growth.

Remove barriers to learning

Recovery strategy and digital learning to include focus on pastoral support in schools and trust extended services provision.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does hold any such funds on behalf of any other organisations.

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.

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

.....
Richard Bettsworth
Chair of Trustees

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees discuss strategic matters and organisational development in meetings and through an annual strategy day. Some of the key pieces of work throughout the year included:

- Oversight of the impact and risks of COVID-19;
- Approval of the strategic goals;
- Approval of 2021-22 budget;
- Greystoke training pool consultation;
- Approval of pre-school development (Woolden & Captains) and further feasibility studies;
- Approval SEND cluster growth & scheme of delegation;
- Approval of a whole Trust Pay Policy and new appraisal arrangements; and
- Approved a recommendation to Members to adopt new Articles.

The Board developed an action plan following on from the Improvement Capacity Framework for Trust Governance self-review completed at the end of the 2019/20 academic year. The Board continued to work on the actions during the year.

All Terms of Reference and other constitutional documents and arrangements have been reviewed, with the aim of further increasing the range and rigour of information provided throughout the governance structure.

The data and other information provided to the Board, Board Committees and local Advisory Boards has continued to be developed.

The Finance, Audit and Risk Committee is a committee of the main board of Trustees. Its purpose is to have financial oversight and scrutiny of the Trust, ensuring good financial and risk management, effective internal controls and compliance with the Trust Funding Agreement, Academies Financial Handbook and Trust financial regulations.

The work of the Finance, Audit and Risk Committee this year included:

- Monitoring the financial implications of COVID-19 on the short- and medium-term financial plans;
- Developing a revised approach to internal audit to extend the scope to non-financial areas such as IT security, complaints, and whistleblowing;
- Strategic oversight and scrutiny of the risk register;
- Scrutiny of Health & Safety & RPA audits and the appointment of a lead H&S/Estates Trustee;
- Recommendation of the statutory accounts;
- Oversight & monitoring of the audit action plan;
- Recommendation of the revised budget 2020/21 & proposed budget 2021/22; and
- Oversight & scrutiny of the capital programme, priorities & funding.

During the year Raj Tugnet was co-opted to the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gary Sims (Chair)	3	3
Shane Bray	3	3
Jonathan Parsons	2	3
Richard Bettsworth	1	1
Raj Tugnet	2	3

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

The Education Standards Committee is also a committee of the main board of Trustees. The committees' focus is improving the educational performance of the Trust by maintaining strategic oversight of curriculum development, assessment, quality assurance and standards. Maggie Spence was elected as the chair for the academic year.

The committee met four times during the year, the main areas of focus were:

- Oversight of Trust response to remote learning;
- Online learning strategy;
- Re-integration to learning and recovery;
- Regular oversight of Safeguarding & Wellbeing;
- Educational impact and risks of COVID19; and
- Impact of school improvement support

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Bettsworth	3	3
Margaret Spence (Chair)	3	3
Paul Stone	3	3
David Williams	3	3
Ruth Malkin	3	3

The Partnership and Governance Committee is a committee of the Trust Board. Its purpose is to establish and govern the operations of the range of partnerships operating under the Trust. The oversight of this committee includes ATSA, EPIC, SCITT, Advisory Boards and wider external partnerships with other MATs and organisations.

The committee met three times during the year, the main areas of focus were:

- Oversight of Trust partnerships strategic plan & KPIs;
- Strategic partnership risks and mitigation plans;
- Advisory Board performance and reporting; and
- Oversight of the exit strategy for the teaching school resulting from the unsuccessful Teaching School Hub bid.

Following a review of the governance structure and the closure of ATSA, the Board agreed to disband the committee and review delegations. A new SEND Cluster Committee would come into effect from 2021/22 and assume responsibility for the oversight of EPIC & SALT. The Board also agreed to link Trustees to Advisory Boards to strengthen communication and oversight.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ed Green (Chair)	3	3
Gary Sims	3	3
Mihir Trivedi	3	3

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

The Human Resources Committee is also a committee of the main board of Trustees. Its purpose is to provide the Board with assurance concerning all aspects of strategic workforce and organisational development. The committee met five times during the year, three planned and two additional meetings to consider specific matters.

The main areas of focus during the year were:

- Approval of the Teachers, Support staff and Executive pay policies;
- Oversight of the Equality Strategy & Gender Pay Gap Reporting;
- HR strategy and KPI oversight;
- Monitoring and oversight of performance management and pay progression;
- Approval of an Appraisal Policy focussing on professional growth;
- Oversight of staff survey results and proposed action plan; and
- Wider workforce policy approval.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jonathan Parsons (Chair)	4	5
Richard Bettsworth	5	5
Shane Bray	5	5
Gary Sims	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Trust Leader 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 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 Trust has delivered improved value for money during the year by:

- Developing a trust wide Value for Money policy to raise awareness when purchasing;
- Provided finance training for senior leaders and key staff which included achieving value for money;
- Remote working and use of Teams resulting in reduced travel costs;
- Created a laptop donation scheme encouraging donations from local businesses to increase the number of ICT devices at no cost to the Trust;
- Reviewed the Trust's internal scrutiny process which created a financial saving; and
- Conducted staff remodelling with the aim of aligning roles and responsibilities across the Trust and making financial efficiencies. This was driven by national benchmarking data such as VMFI.

Discovery adhered to the Procurement Policy Notes to support valued suppliers throughout COVID-19. To minimise the effects on achieving value for money, individual negotiations were conducted to maximise the use of purchased goods/services on a trust-wide basis.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Discovery for the period 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 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 Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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; and
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal scrutiny service from SBM Consultancy Ltd.

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

- testing of governance and statutory responsibilities;
- testing of risk management system;
- testing of budgetary planning, monitoring and reporting process;
- testing of Trust Quality Assurance process & findings; and
- testing of wider internal scrutiny processes & outcomes such as cyber security audit.

On a termly basis, the reviewer reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis, the internal scrutiny provider 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.

No material control issues were identified as a result of the internal audit conducted in 2020/2021.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Trust Leader 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 scrutiny provider;
- the work of the external auditor;
- the resource management self-assessment tool ; and
- the work of the executive managers within the 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 during the Finance, Audit & Risk 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 and signed on its behalf by:

.....
Richard Bettsworth
Chair of Trustees

.....
Paul Stone
Accounting Officer

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

As Accounting Officer of Discovery Schools Academy Trust Ltd, 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 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 all 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

.....
Paul Stone
Accounting officer

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make 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 ESFA/DfE have been applied for the purposes intended.

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

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

.....
Richard Bettsworth
Chair of Trustees

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY SCHOOLS ACADEMIES TRUST LTD**

Opinion

We have audited the financial statements of Discovery Schools Academies Trust Ltd (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating Income and Expenditure, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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 issue.

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY SCHOOLS ACADEMIES TRUST LTD (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (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.
- the Strategic Report and the Director' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DISCOVERY SCHOOLS ACADEMIES TRUST LTD (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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:

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY SCHOOLS ACADEMIES TRUST LTD (CONTINUED)**

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 Academy Trust's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson (Statutory Auditor)

Leicester, United Kingdom

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVERY SCHOOLS ACADEMIES TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter 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 Discovery Schools Academies Trust Ltd during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Discovery Schools Academies Trust Ltd's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Discovery Schools Academies Trust Ltd's funding agreement with the Secretary of State for Education dated 29 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 year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the 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.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date:

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	-	32	791	823	1,330
Charitable activities:	4					
Funding for the Academy Trust's educational operations		-	24,119	-	24,119	22,232
Teaching schools	36	-	673	-	673	498
Other trading activities	5	1,011	-	-	1,011	940
Investments	6	-	-	-	-	1
Other income	7	64	80	-	144	264
Total income		1,075	24,904	791	26,770	25,265
Expenditure on:						
Raising funds	8	717	107	-	824	736
Charitable activities:	9					
Academy Trust educational operations		-	26,160	796	26,956	24,861
Teaching schools	36	-	641	7	648	472
Total expenditure	10	717	26,908	803	28,428	26,069
NET INCOME/(EXPENDITURE)		358	(2,004)	(12)	(1,658)	(804)
Transfers between funds	21	(381)	70	311	-	-
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	29	-	(4,214)	-	(4,214)	(1,296)
Net movement in funds		(23)	(6,148)	299	(5,872)	(2,100)
Reconciliation of funds:						
Total funds brought forward		2,264	(13,735)	31,942	20,471	22,571
Net movement in funds		(23)	(6,148)	299	(5,872)	(2,100)
Total funds carried forward		2,241	(19,883)	32,241	14,599	20,471

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 37 to 74 form part of these financial statements.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08104111

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	17	30,681	30,570
		<u>30,681</u>	<u>30,570</u>
Current assets			
Debtors	18	939	1,240
Cash at bank and in hand	26	5,534	4,817
		<u>6,473</u>	<u>6,057</u>
Creditors: amounts falling due within one year	19	(2,514)	(2,299)
Net current assets		<u>3,959</u>	<u>3,758</u>
Total assets less current liabilities		<u>34,640</u>	<u>34,328</u>
Creditors: amounts falling due after more than one year	20	(8)	(14)
Net assets excluding pension liability		<u>34,632</u>	<u>34,314</u>
Defined benefit pension scheme liability	29	(20,033)	(13,843)
Total net assets		<u><u>14,599</u></u>	<u><u>20,471</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	32,241	31,942
Restricted income funds	21	150	108
		<u>32,391</u>	<u>32,050</u>
Restricted funds excluding pension asset	21	32,391	32,050
Pension reserve	21	(20,033)	(13,843)
		<u>12,358</u>	<u>18,207</u>
Total restricted funds	21	<u>12,358</u>	<u>18,207</u>
Unrestricted income funds	21	<u>2,241</u>	<u>2,264</u>
Total funds		<u><u>14,599</u></u>	<u><u>20,471</u></u>

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08104111

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 33 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Richard Bettsworth
Chair of Trustees

.....
Paul Stone
Accounting Officer

Date:

The notes on pages 37 to 74 form part of these financial statements.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	966	291
Cash flows from investing activities	25	(243)	855
Cash flows from financing activities	24	(6)	(6)
Change in cash and cash equivalents in the year		717	1,140
Cash and cash equivalents at the beginning of the year		4,817	3,677
Cash and cash equivalents at the end of the year	26	<u>5,534</u>	<u>4,817</u>

The notes on pages 37 to 74 form part of these financial statements.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(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.

1.1 Basis of preparation of financial statements

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

Discovery Schools Academies Trust Ltd meets the definition of a public benefit entity under FRS 102.

Discovery Schools Academies Trust Ltd is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

The financial statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

1.3 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.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income (continued)

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

1.4 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.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold land	- Not depreciated
Long leasehold land	- 0.8% straight line per annum
Long leasehold property	- 2% straight line per annum
Computer equipment	- 25% straight line per annum
Fixtures and fittings	- 10% straight line per annum

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

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

1.6 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.

1.7 Cash at bank and in hand

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

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (CONTINUED)

1.8 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.

1.9 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Pensions

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

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

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

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

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £000	Total funds 2021 £000
Rental income	6	6
Catering income	179	179
Affinity Teaching School Alliance income	217	217
Wrap around care	531	531
Other income	78	78
Total 2021	1,011	1,011

	Unrestricted funds 2020 £000	Total funds 2020 £000
Rental income	19	19
Catering income	161	161
Affinity Teaching School Alliance income	190	190
Wrap around care	431	431
Other income	139	139
Total 2020	940	940

6. INVESTMENT INCOME

	Unrestricted funds 2021 £000	Total funds 2021 £000
Investment income	-	-

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	1	1

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

7. OTHER INCOME

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Parental contributions	-	12	12
Other income	64	68	132
Total 2021	64	80	144

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Parental contributions	-	170	170
Staff insurance income	7	-	7
Other income	27	60	87
Total 2020	34	230	264

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
Uniform costs	12	-	12
Catering costs	179	-	179
Lettings costs	7	-	7
Affinity Teaching School Alliance expenditure	118	-	118
Wages and salaries	284	107	391
National insurance	35	-	35
Pension costs	82	-	82
Total 2021	<u>717</u>	<u>107</u>	<u>824</u>
	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Uniform costs	9	-	9
Catering costs	159	-	159
Lettings costs	19	-	19
Affinity Teaching School Alliance expenditure	71	-	71
Wages and salaries	283	80	363
National insurance	34	-	34
Pension costs	81	-	81
Total 2020	<u>656</u>	<u>80</u>	<u>736</u>

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational operations	21,171	5,785	26,956

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	19,601	5,260	24,861

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	19,255	17,776
Educational supplies	690	496
Staff development	76	81
Insurance	62	59
Other direct costs	292	459
Depreciation	796	730
	21,171	19,601

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs (note 16)	249	219
Staff costs	2,788	2,493
Governance costs	22	36
Recruitment and support	28	51
Maintenance of premises and equipment	449	456
Cleaning	172	136
Rent and rates	172	155
Energy costs	278	273
Insurance	80	78
Catering	820	810
Professional fees	251	260
Legal costs - conversion	11	22
Other support costs	426	228
Bank charges and interest	6	8
Governance costs	33	35
	5,785	5,260

10. EXPENDITURE

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on raising funds:				
Direct costs	508	-	316	824
Charitable activities:				
Direct costs	19,255	649	1,267	21,171
Support costs	3,037	1,071	1,677	5,785
Teaching school	217	-	431	648
Total 2021	23,017	1,720	3,691	28,428

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

10. EXPENDITURE (CONTINUED)

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising funds:				
Direct costs	478	-	258	736
Activities:				
Direct costs	17,776	631	1,194	19,601
Support costs	2,712	1,020	1,528	5,260
Teaching school	183	-	289	472
Total 2020	<u>21,149</u>	<u>1,651</u>	<u>3,269</u>	<u>26,069</u>

11. NET INCOME/(EXPENDITURE)

Net expenditure for the year includes:

	2021 £000	2020 £000
Operating lease rentals	18	16
Depreciation of tangible fixed assets	803	739
Loss on disposal of fixed assets	120	-
Fees paid to auditors for:		
- audit services	34	33
- non-audit services	3	2

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

12. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	15,801	14,526
Social security costs	1,300	1,205
Pension costs	5,232	4,880
	<hr/>	<hr/>
	22,333	20,611
Agency staff costs and apprenticeship levy	417	310
Staff restructuring costs	18	9
Pension finance cost (note 16)	249	219
	<hr/>	<hr/>
	23,017	21,149
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	8	2
Severance payments	-	5
Other restructuring costs	10	2
	<hr/>	<hr/>
	18	9
	<hr/> <hr/>	<hr/> <hr/>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs is non-statutory/non-contractual staff severance payments totalling £Nil (2020: £5,000). Individually, the payment was £Nil (2020: £5,000).

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

12. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS

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

	2021	2020
	No.	No.
Teaching	222	198
Administration and Support	536	454
Management	32	39
	790	691

d. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	9	4
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	1	1

Thirteen (2020: Nine) of the above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these members of staff amounted to £230,016 (2020: £164,768).

Three (2020: One) of the above employees contributed to the Local Government Pension Scheme. During the year ended 31 August 2021, pension contributions for these members of staff amounted to £47,280 (2020: £18,971).

e. KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Academy Trust comprise the Staff 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 £759,298 (2020: £764,456).

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

13. CENTRAL SERVICES

The Academy Trust has provided the following central services to its Academies during the year:

- Estates
- Affinity membership
- Strategic Finance
- Strategic HR
- Governance (including clerking)
- Strategic ICT
- School Improvement Services
- Legal Services
- Communications
- Safeguarding

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

Strategic lead schools	- 5% of GAG funding
Sponsored schools	- 5% of GAG funding
Partner schools	- 5% of GAG funding

Finance, IT and HR resources are provided to Academies separately and are not included in the 5% of GAG funding charge.

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Kibworth Church of England Primary School	111	103
Parkland Primary School (South Wigston)	113	106
Sileby Redlands Community Primary School	69	67
Enderby Danemill Primary School	77	71
Woolden Hill Primary School	40	38
Mowmacre Hill Primary School	90	81
Greystoke Primary School	65	62
Farndon Fields Primary School	47	40
Captains Close Primary School	34	32
Fossebrook Primary School	42	35
Braunstone Community Primary School	98	99
Merrydale Junior School	79	76
Leighfield Academy	35	34
Total	900	844

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

14. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an 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:

		2021	2020
		£000	£000
Paul Stone, Trust Leader	Remuneration	120 - 125	125 - 130
	Pension contributions paid	25 - 30	25 - 30

During the year ended 31 August 2021, travel expenses totalling £401 were reimbursed or paid directly to 2 Trustees (2020: £1,379 to 2 Trustees).

Other related party transactions including the Trustees are set out in note 31.

15. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department of 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 Trust 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 membership.

16. PENSION FINANCE COST

	2021	2020
	£000	£000
Expected return on pension scheme assets	286	276
Interest on pension scheme liabilities	(535)	(495)
	(249)	(219)

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

(A Company Limited by Guarantee)

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

17. TANGIBLE FIXED ASSETS

	Freehold land £000	Long leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	659	32,011	695	761	34,126
Additions	-	519	38	477	1,034
Disposals	-	(135)	-	-	(135)
At 31 August 2021	<u>659</u>	<u>32,395</u>	<u>733</u>	<u>1,238</u>	<u>35,025</u>
Depreciation					
At 1 September 2020	-	2,829	235	492	3,556
Charge for the year	-	580	69	154	803
On disposals	-	(15)	-	-	(15)
At 31 August 2021	<u>-</u>	<u>3,394</u>	<u>304</u>	<u>646</u>	<u>4,344</u>
Net book value					
At 31 August 2021	<u><u>659</u></u>	<u><u>29,001</u></u>	<u><u>429</u></u>	<u><u>592</u></u>	<u><u>30,681</u></u>
At 31 August 2020	<u><u>659</u></u>	<u><u>29,182</u></u>	<u><u>460</u></u>	<u><u>269</u></u>	<u><u>30,570</u></u>

Included in long leasehold property is long leasehold land at a carrying value of £5,690,400 (2020: £5,690,400) which is being depreciated over the term of the lease. The freehold of these land and buildings are owned by Leicestershire County Council. The Academy Trust holds 125 year leases on a peppercorn rent from 2012.

Land totalling £659,000 in respect of the Leighfield Academy land has been gifted to the Academy Trust and therefore is held under freehold property. No depreciation has been charged on this land.

The Trustees consider that the valuation of the land remains appropriate for the purposes of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. TANGIBLE FIXED ASSETS (CONTINUED)

The Trustees of Discovery Schools Academies Trust Ltd, in agreement with the Board of Education of the Diocese of Leicester, occupy the buildings and some open land of Kibworth Church of England Primary School on a rent free licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board's charitable objects. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The terms of this licence have been agreed between the Secretary of State and the Trustees of Discovery Schools Academies Trust Ltd and contain a termination clause on the Trustees of Discovery Schools Academies Trust Ltd by the Board of Education giving two years notice. The Academy Trust is responsible for the maintenance and insurance of the land and buildings.

No adjustments have been made in the financial statements to recognise the value to the Trust of the donated facility. This is because the value of the donated facility cannot be measured reliably.

18. DEBTORS

	2021	2020
	£000	£000
Due within one year		
Trade debtors	111	133
VAT repayable	164	123
Other debtors	46	6
Prepayments and accrued income	618	978
	<hr/> 939 <hr/>	<hr/> 1,240 <hr/>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£000	£000
Other loans	6	6
Trade creditors	746	508
Other taxation and social security	292	274
Other creditors	384	360
Accruals and deferred income	1,086	1,151
	<hr/> 2,514 <hr/>	<hr/> 2,299 <hr/>

Included within other loans are loans of £6,000 (2020: £6,000) from Salix Finance. The loans are interest free and repayable in instalments over 8 years. These loans were pre-approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater system projects and ceiling replacements.

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1. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

	2021 £000	2020 £000
Deferred income at 1 September 2020	619	602
Resources deferred during the year	620	619
Amounts released from previous periods	(619)	(602)
Deferred income at 31 August 2021	620	619

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, rates reimbursements, PE grant funding, EYFS, and trip income relating to the 2021/2022 Academic year.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000
Other loans	8	14

Included within other loans are loans of £8,000 (2020: £14,000) from Salix Finance. The loans are interest free and repayable in instalments over 8 years. These loans were pre-approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater system projects and ceiling replacements.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted funds	2,264	1,075	(717)	(381)	-	2,241
Restricted general funds						
General Annual Grant (GAG)	-	17,991	(18,051)	60	-	-
Pupil Premium	-	1,349	(1,349)	-	-	-
UIFSM	-	594	(594)	-	-	-
Teachers' Pay and Pension Grants	-	809	(809)	-	-	-
Other DfE/ESFA grants	-	454	(454)	-	-	-
Other Government grants	-	2,570	(2,570)	-	-	-
Other income	-	112	(112)	-	-	-
Teaching school	108	673	(641)	10	-	150
Covid-19 Catch-Up	-	352	(352)	-	-	-
Pension reserve	(13,843)	-	(1,976)	-	(4,214)	(20,033)
	<u>(13,735)</u>	<u>24,904</u>	<u>(26,908)</u>	<u>70</u>	<u>(4,214)</u>	<u>(19,883)</u>
Restricted fixed asset funds						
Net book value	30,570	-	(803)	914	-	30,681
SCA capital grant	662	632	-	(335)	-	959
S106 grant	567	57	-	(198)	-	426
DfC grant	65	102	-	(75)	-	92
Growth pot grant	98	-	-	(1)	-	97
Salix loan	(20)	-	-	6	-	(14)
	<u>31,942</u>	<u>791</u>	<u>(803)</u>	<u>311</u>	<u>-</u>	<u>32,241</u>
Total Restricted funds	<u>18,207</u>	<u>25,695</u>	<u>(27,711)</u>	<u>381</u>	<u>(4,214)</u>	<u>12,358</u>
Total funds	<u><u>20,471</u></u>	<u><u>26,770</u></u>	<u><u>(28,428)</u></u>	<u><u>-</u></u>	<u><u>(4,214)</u></u>	<u><u>14,599</u></u>

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees. Transfers of £305,000 from unrestricted funds to the restricted fixed asset fund represents allocations of unrestricted funds to capital spends. Transfers of £60,000 from unrestricted funds to the restricted funds represents allocations of unrestricted funds to GAG expenses. Transfers of £10,000 from unrestricted funds to the restricted funds represents allocations of unrestricted funds to teaching school expenses. Transfers of £6,000 from unrestricted funds to restricted fixed asset funds represents allocations of unrestricted funds towards the repayment of the loans.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

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. Transfers of £60,000 from unrestricted funds to the restricted funds represents allocations of unrestricted funds to GAG expenses. Transfers of £10,000 from unrestricted funds to the restricted funds represents allocations of unrestricted funds to teaching school expenses.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and to close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/EFA Grants

Other funds provided by the Education and Skills Funding Agency for particular purposes within the Academy Trust's educational operations.

Other Government grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit but given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in long leasehold property, fixtures and fittings, and computer equipment. Also included in the funds is depreciation charged on fixed assets held. Transfers of £305,000 from unrestricted funds to the restricted fixed asset fund represents allocations of unrestricted funds to capital spends.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

Capital grants

This consists of Devolved Formula Capital (DfC) and other capital funding from the Education and Skills Funding Agency. The DfC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

The CIF loan balance represents the Salix loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from unrestricted funds against the CIF loan fund. Transfers of £6,000 from unrestricted funds to restricted fixed asset funds represents allocations of unrestricted funds towards the repayment of the loans.

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21. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	1,991	975	(656)	(46)	-	2,264
Restricted general funds						
General Annual Grant (GAG)	-	16,924	(16,914)	(10)	-	-
Pupil Premium	-	1,345	(1,345)	-	-	-
UIFSM	-	601	(601)	-	-	-
Teachers' Pay and Pension Grants	-	793	(793)	-	-	-
Other DfE/ESFA grants	-	533	(533)	-	-	-
Other Government grants	132	1,908	(1,942)	(98)	-	-
Other income	-	286	(286)	-	-	-
Teaching school	77	498	(463)	(4)	-	108
Other DfE/ESFA COVID-19 funding	-	27	(27)	-	-	-
Pension reserve	(10,777)	-	(1,770)	-	(1,296)	(13,843)
	(10,568)	22,915	(24,674)	(112)	(1,296)	(13,735)
Restricted fixed asset funds						
Net book value	30,788	-	(739)	521	-	30,570
SCA capital grant	338	569	-	(245)	-	662
S106 grant	-	705	-	(138)	-	567
DfC grant	38	101	-	(74)	-	65
Growth pot grant	-	-	-	98	-	98
Other capital income	10	-	-	(10)	-	-
Salix loan	(26)	-	-	6	-	(20)
	31,148	1,375	(739)	158	-	31,942
Total Restricted funds	20,580	24,290	(25,413)	46	(1,296)	18,207
Total funds	22,571	25,265	(26,069)	-	(1,296)	20,471

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

21. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
Central MAT reserve	2,241	2,264
SCITT	150	108
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,391	2,372
Restricted fixed asset fund	32,241	31,942
Pension reserve	(20,033)	(13,843)
	<hr/>	<hr/>
Total	14,599	20,471
	<hr/> <hr/>	<hr/> <hr/>

A single central MAT reserve is maintained to provide financial support across the MAT where required, with the exception of the Teaching School (SCITT) which is held separately.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)**TOTAL COST ANALYSIS BY ACADEMY**

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021
	£000	£000	£000	£000	£000
Discovery Schools Academies Trust	859	437	3	136	1,435
Kibworth Church of England Primary School	1,873	219	41	450	2,583
Parkland Primary School (South Wigston)	2,123	261	38	369	2,791
Sileby Redlands Community Primary School	1,304	185	15	249	1,753
Enderby Danemill Primary School	1,371	163	26	317	1,877
Woolden Hill Primary School	742	109	5	163	1,019
Mowmacre Hill Primary School	1,632	239	33	366	2,270
Greystoke Primary School	1,232	142	21	362	1,757
Affinity Teaching School Alliance	120	65	4	114	303
SCITT	88	130	-	746	964
Farndon Fields Primary School	1,010	146	13	227	1,396
Captains Close Primary School	785	120	12	156	1,073
Fossebrook Primary School	637	97	13	160	907
Braunstone Community Primary School	1,926	425	3	423	2,777
Merrydale Junior School	1,387	144	32	300	1,863
Leighfield Primary School	584	102	9	185	880
	<u>17,673</u>	<u>2,984</u>	<u>268</u>	<u>4,723</u>	<u>25,648</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020
	£000	£000	£000	£000	£000
Discovery Schools Academies Trust	821	357	1	141	1,320
Kibworth Church of England Primary School	1,703	190	39	483	2,415
Parkland Primary School (South Wigston)	2,005	250	22	334	2,611
Sileby Redlands Community Primary School	1,196	195	21	271	1,683
Enderby Danemill Primary School	1,224	160	27	297	1,708
Woolden Hill Primary School	684	108	7	177	976
Mowmacre Hill Primary School	1,489	216	35	336	2,076
Greystoke Primary School	1,097	137	29	235	1,498
Affinity Teaching School Alliance	108	370	3	74	555
SCITT	122	61	-	271	454
Farndon Fields Primary School	894	133	9	228	1,264
Captains Close Primary School	706	101	3	187	997
Fossebrook Primary School	550	92	9	139	790
Braunstone Community Primary School	1,901	292	12	360	2,565
Merrydale Junior School	1,310	161	33	267	1,771
Leighfield Primary School	590	102	9	177	878
Academy Trust	16,400	2,925	259	3,977	23,561

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	30,681	30,681
Current assets	2,241	2,546	1,686	6,473
Creditors due within one year	-	(2,396)	(118)	(2,514)
Creditors due in more than one year	-	-	(8)	(8)
Pension scheme liability	-	(20,033)	-	(20,033)
Total 2021	2,241	(19,883)	32,241	14,599

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	30,570	30,570
Current assets	4,557	108	1,392	6,057
Creditors due within one year	(2,293)	-	(6)	(2,299)
Creditors due in more than one year	-	-	(14)	(14)
Pension scheme liability	-	(13,843)	-	(13,843)
Total 2020	2,264	(13,735)	31,942	20,471

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NOTES TO THE FINANCIAL STATEMENTS
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23. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,658)	(804)
Adjustments for:		
Depreciation (note 17)	803	739
Loss on disposal of fixed assets (note 11)	120	-
Capital grants from DfE and other capital income (note 3 and 4)	(791)	(1,375)
Interest receivable (note 6)	-	(1)
Defined benefit pension scheme cost less contributions payable (note 29)	1,727	1,551
Defined benefit pension scheme finance cost (note 16)	249	219
Decrease/(increase) in debtors (note 18)	301	(202)
Increase in creditors (note 19)	215	164
Net cash provided by operating activities	966	291

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £000	2020 £000
Repayments of borrowing (note 21)	(6)	(6)
Net cash used in financing activities	(6)	(6)

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £000	2020 £000
Interest received (note 6)	-	1
Purchase of tangible fixed assets (note 17)	(1,034)	(521)
Capital grants from DfE and other capital income (note 3 and 4)	791	1,375
Net cash (used in)/provided by investing activities	(243)	855

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NOTES TO THE FINANCIAL STATEMENTS
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26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Cash in hand	5,534	4,817
Total cash and cash equivalents	5,534	4,817

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	4,817	717	5,534
Debt due within 1 year	(6)	-	(6)
Debt due after 1 year	(14)	6	(8)
	4,797	723	5,520

28. CAPITAL COMMITMENTS

At 31 August 2021 the Academy Trust had capital commitments as follows:

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	269	322

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

29. PENSION COMMITMENTS

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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £384,918 were payable to the schemes at 31 August 2021 (2020: £358,432) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

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29. PENSION COMMITMENTS (CONTINUED)

The employer's pension costs paid to TPS in the year amounted to £1,938,000 (2020: £1,853,000).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,987,000 (2020: £1,850,000), of which employer's contributions totalled £1,575,000 (2020: £1,492,000) and employees' contributions totalled £412,000 (2020: £358,000). The agreed contribution rates for future years are 22.5% per cent for employers and 5.5% - 12.5% 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.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20
Commutation of pensions to lump sums (Pre-April 2008)	50.00	50.00
Commutation of pensions to lump sums (Post-April 2008)	75.00	75.00

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

	2021	2020
	Years	Years
Retiring today		
Males	21.7	21.5
Females	24.2	23.8
Retiring in 20 years		
Males	22.6	22.2
Females	25.9	25.2

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NOTES TO THE FINANCIAL STATEMENTS
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29. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2021 £000	2020 £000
Discount rate +0.1%	(1,139)	(851)
Discount rate -0.1%	1,139	851
Mortality assumption - 1 year increase	1,658	1,190
Mortality assumption - 1 year decrease	(1,658)	(1,190)
CPI rate +0.1%	1,038	765
CPI rate -0.1%	(1,038)	(765)

SHARE OF SCHEME ASSETS

The Academy Trust's share of the assets in the scheme was:

	2021 £000	2020 £000
Equities	12,420	9,386
Bonds	6,210	4,614
Property	1,499	1,273
Cash	1,285	636
Total market value of assets	21,414	15,909

The actual return on scheme assets was £3,686,000 (2020: £535,000).

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

	2021 £000	2020 £000
Current service cost	(3,302)	(2,919)
Past service cost	-	(124)
Interest income	286	276
Interest cost	(535)	(495)
Total amount recognised in the Statement of Financial Activities	(3,551)	(3,262)

The Academy Trust expects to contribute £1,590,000 to its defined benefit pension scheme in 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. PENSION COMMITMENTS (CONTINUED)

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

	2021	2020
	£000	£000
At 1 September	29,752	24,439
Current service cost	3,302	2,919
Past service cost	-	124
Interest cost	535	495
Employee contributions	412	358
Actuarial losses	7,614	1,555
Benefits paid	(168)	(138)
At 31 August	41,447	29,752

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

	2021	2020
	£000	£000
At 1 September	15,909	13,662
Interest income	286	276
Actuarial gains	3,400	259
Employer contributions	1,575	1,492
Employee contributions	412	358
Benefits paid	(168)	(138)
At 31 August	21,414	15,909

30. OPERATING LEASE COMMITMENTS

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

	2021	2020
	£000	£000
Within 1 year	14	16
Between 1 and 5 years	13	21
	27	37

DISCOVERY SCHOOLS ACADEMIES TRUST LTD

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

31. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trustees of Discovery Schools Academies Trust Ltd, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent free licence, the terms of which have been agreed between the Secretary of State and the Trustees of Discovery Schools Academies Trust Ltd, and within which is contained a termination clause on the Trustees of Discovery Schools Academies Ltd by the Board of Education giving two years notice. Full details of the arrangement are detailed in note 17.

The Academy Trust made recharges and received services from Inspiring Leaders Limited, a company in which Paul Stone, Trustee of the Academy Trust, is a Director. The contract entered into with Inspiring Leaders Limited was entered into prior to 7 November 2013 and followed correct procurement procedures. Paul Stone neither participated in, nor influenced the decision for the procurement of these services.

Due to a change in structure, Inspiring Leaders Limited does not meet the definition of a related party for disclosure purposes and therefore no disclosure is made for 2021. Recharges in 2020 for staff costs, consultancy fees and venue hire amounted to £1,167. Services charged in 2020 for course and conference costs amounted to £13,925.

The Academy Trust received services from Globe 2, a business in which Joanne Andrews husband is an owner. Joanne Andrews is Head Teacher of an Academy within the Academy Trust.

Total services charged by Globe 2 in respect of expenses amounted to £12,804 (2020: £Nil). At the year end the Academy Trust owed £15,365 (2020: £Nil) to Globe 2.

J Stone, spouse of P Stone, Trust Leader, is employed by the Academy Trust as a teacher. J Stone's appointment was made in open competition and P Stone was not involved in the decision-making process regarding appointment. J Stone is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the Trust Leader. Take on procedures were in line with normal Trust guidelines, with DBS checks and references being sought.

M Williams, daughter of D Williams, Trustee, is employed by the Academy Trust as support staff. M Williams' appointment was made in open competition and D Williams was not involved in the decision-making process regarding appointment. M Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the Trustee. Take on procedures were in line with normal Trust guidelines, with DBS checks and references being sought.

No other related party transactions took place in the period of account other than certain Trustees remuneration and expenses as disclosed in note 14.

32. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by Guarantee and does not have a share capital.

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33. POST BALANCE SHEET EVENTS

On 1 September 2021 two Academies joined the Discovery Trust, these were Keyham Lodge School and Millgate School. There are no financial implications to these academies joining, other than funds which will be donated in the next financial year.

34. 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.

35. AGENCY ARRANGEMENTS

The Academy Trust distributes SCITT bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the Academy Trust received £323,000 (2020: £12,000) and disbursed £323,000 (2020: £12,000) from the fund. As all of the funds were disbursed in the year there is no amount included in other creditors at the year end.

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

36. TEACHING SCHOOL TRADING ACCOUNT

	2021	2021	2020	2020
	£000	£000	£000	£000
Income				
Direct income				
Private fee income	673		498	
Total income		673		498
Expenditure				
Direct expenditure				
Depreciation	7		9	
Other expenditure				
Other staff costs	217		183	
Course fees	6		4	
Travel and subsistence	1		3	
Professional fees	-		1	
Advertising	19		5	
Training room hire	-		1	
Rent	4		4	
Governance costs	4		2	
Other support costs	383		260	
Total other expenditure	634		463	
Total expenditure		641		472
Transfers between funds excluding depreciation		10		5
Surplus from all sources		42		31
Teaching school balances at 1 September 2020		108		77
Teaching school balances at 31 August 2021		150		108