

Company Registration Number: 07638800 (England & Wales)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Day Mr M Fossey Mr D Smith Mrs K Wild-Smith
Trustees	Mr D Cowen Mr R Duff Mr C Hearn Mr C Holme (resigned 13 July 2023) Mr R Juniper (appointed 1 September 2022) Mr A Sharma (resigned 24 July 2023) Mrs K Tucker (resigned 1 December 2023) Mrs H Witty, Chair Mr S Baines (appointed 19 May 2023) Mr S Whitley (appointed 19 May 2023) Mr Z Glaser (appointed 13 July 2023)
Company Registered Number	07638800
Company Name	Discovery Educational Trust
Principal and Registered Office	St Martin's School Brentwood Hanging Hill Lane Hutton Brentwood Essex CM13 2HG
Company Secretary	Mr P Griffiths
Chief Executive Officer	Mr R Duff
Senior Management Team	Mr R Duff, Chief Executive Officer Mr P Griffiths, Chief Financial and Operations Officer
Independent Auditors	MWS Chartered Accountants Kingsridge House 601 London Road Westcliff on Sea Essex SS0 9PE
Legal Advisors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

DISCOVERY EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of Discovery Educational Trust (DET), formerly Brentwood Academies Trust (BAT) for the 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

DET operates one primary and two secondary schools (the Schools) in the South East area of Essex, with a combined pupil capacity of 3,655 and a roll of 3,542 pupils as recorded in the October 2023 census.

St Martin's School, Brentwood (SMS) initially converted to academy status on 1 July 2011, and subsequently became BAT on 23 April 2014. The School was rated Good by Ofsted in January 2019 with the 16 to 19 provision rated Outstanding.

On 1 July 2014, Larchwood Primary School (LPS), a sponsored School, became part of BAT. The School was inspected by Ofsted in March 2017, achieving Outstanding status, and continues to be an over-subscribed school of choice in the local community.

On 1 April 2015, Chase High School (CHS), a sponsored School, became part of BAT. The School was inspected by Ofsted in February 2022 and was rated Good in all categories. This is the first time that the School has achieved above Satisfactory/Requires Improvement in its 15-year history.

Structure, Governance and Management

a. Constitution

DET is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also Directors for the purposes of Company Law. The terms Trustee and Director are interchangeable in this report.

The operation of the Schools and employment of staff are the responsibility of the Trustees. DET retains control of School budgets and finances, and monitors these through its Trust Board (TB). Each School has appointed a Local School Committee (LSC), which has delegated authority to administer its School within agreed budgets. Members of the LSC are referred to as Local Governors in this report.

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.

b. Members' Liability

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

c. Trustee and Officers' Indemnities

In accordance with normal commercial practice, DET has opted into the Department for Education's (DfE) Risk Protection Arrangement (RPA), an alternative to insurance, where UK Government funds cover losses that arise. This scheme protects Trustees, Local Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on DET business and provides cover up to £10,000,000 on any one claim. Details of the costs are disclosed in Note 13 to the accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

d. Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, the number of Trustees shall not be less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Articles allow DET to have the following Trustees:

- Up to twelve Trustees appointed by Members (Article 50);
- Chief Executive Officer and Executive Principal (Article 57);
- Parent Trustees (Articles 53-56); and
- Co-opted Trustees (Article 58).

The Chief Executive Officer/Executive Principal is referred to as the Chief Executive Officer (CEO) in this report. The total number of Trustees, including the CEO, who are employees of DET shall not exceed one third of the total (Article 50B). Policies and procedures adopted for the induction and training of Trustees and Local Governors are as follows:

- DET has developed a formal Induction Policy for new Local Governors and Trustees that consists of an 'in- house' induction as well as external induction training provided by Juniper Education. The latter programme also provides a range of training courses for both new and existing Local Governors and Trustees.
- The Trust subscribes to both the National Governance Association and Confederation of School Trusts, which both have an extensive training and guidance offering. Information regarding training opportunities is circulated to all Local Governors and Trustees and attendance is encouraged. A detailed record of all training completed by Local Governors and Trustees is maintained and reviewed on a regular basis and a skills audit is undertaken annually.

e. Organisational Structure

The governance of DET is defined in the Memorandum and Articles of Association together with the Funding Agreement with the DfE.

The TB, which meets on, at least, six occasions per year, is responsible for strategic planning and the setting of general policy. It manages DET through business planning, the approval and monitoring of budgets, performance management and the setting of standards. The TB also makes major decisions about the direction of DET, capital expenditure and staff appointments. The TB includes the Accounting Officer: the CEO of DET.

Whilst the Trustees have overall responsibility and ultimate decision-making authority for all work of DET, it chooses to delegate the management of each School to an LSC, which acts as the 'Advisory Body' for each School. The DET Scheme of Delegation details the role of the LSC. Specifically, LSCs are charged with responsibilities relating to the "Three Ss" - Safeguarding, Standards and Stakeholder Engagement.

The Senior Leadership Team (SLT) of each School reports through each LSC and is responsible, at an executive level, for implementing policies and for the day-to-day operation of each School, in particular organising staff, resources and pupils. It is responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Accounting Officer has overall responsibility for the day-to-day financial management of DET. The Accounting Officer has delegated responsibility for agreed levels of expenditure to specific budget holders, who are each responsible for managing their own School and its departments within the constraints of each allocated budget. DET has documented Financial Regulations and a Financial Scheme of Delegation to implement and manage the necessary financial controls.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

f. Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of DET.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the DET group size, Individual Salary Range (ISR), the pay scales for each role, the level of experience of each staff member and the ability to recruit and retain in post. In addition, DET, as part of the Transfer of Undertakings (Protection of Employment) (TUPE) agreement for each School joining, adheres to nationally agreed pay awards, all of which are in accordance with DET's appointment procedures, Pay Policy and Performance Management Procedure, both documents being subject to annual review.

DET undertakes annual performance management for teaching staff in October and for non-teaching staff in March, with all staff required to evidence achievement of performance targets. The only Trustee receiving remuneration from the Trust is the CEO.

Headteachers (HTs) review and determine teaching and non-teaching staff (Performance and) Pay progression prior to anonymised data being submitted to the LSCs (for information only) and to Pay Committee for review to ensure equality, fairness and consistency.

The CEO reviews and determines Central Services staff (Performance and) Pay progression prior to anonymised data being submitted to the Pay Committee for review to ensure equality, fairness and consistency.

The CEO Performance Management Committee (comprising the Chair and Vice Chair of the TB, a further Trustee and an External Adviser) reviews CEO performance and recommends pay progression to the Pay Committee for approval.

The HT Performance Management Committees (comprising the Chair and Vice Chair of the LSC and the CEO) review HT performance and recommend pay progression to the Pay Committee for approval.

g. Connected Organisations and Related Parties

Owing to the nature of DET's operations, and the composition of the TB being drawn from local public and private sector organisations, transactions may take place with organisations in which a Local Governor or Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with DET's Financial Regulations and normal procurement procedures. Any transaction where the Local Governor or Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook (ATH).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

h. Employee Consultation

Staff are informed and consulted on matters affecting them during the year through the sending of emails and the use of DET's and Schools' intranet sites.

Additionally, DET implemented a new wellbeing consultation tool, Welbee, during the reporting period and all staff were surveyed in the Summer Term, with the intention of undertaking surveys semi-annually to monitor that actions planned are completed and to highlight and mitigate the risk of any downward trends.

There is also a robust Exit Questionnaire and optional Exit Interview process in place.

i. Engagement with Suppliers, Customers and Other Stakeholders

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to.

The Trustees consider pupils and parents/carers to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents/carers is through face-to-face meetings, via email, through the use of a parental portal, a weekly newsletter and online with each School website incorporating both a news section and Twitter feed.

j. Disabled Access and Equality

Equality and Diversity - DET is committed to equal opportunities in employment and to avoiding unlawful discrimination and eliminating unconscious bias in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy. DET upholds its obligations under the Equality Act 2010 ("the Act") not to discriminate directly or indirectly in any of its activities against employees or applicants for employment on the grounds of the protected characteristics of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race (which includes ethnic origin, nationality and ethnic or national origins), religion or belief, sex and sexual orientation.

DET has a documented Equality and Diversity in Employment Policy as well as an Equality Statement and Objectives, and all documents are published on its website.

Disability - The Schools make reasonable adjustments to allow access to staff and visitors with physical, sensory or mental impairments. The Schools make reasonable adjustments in the recruitment and employment of disabled people. This may include adjustments to recruitment and selection procedures, terms and conditions of employment, working arrangements and physical changes to the premises or equipment. The Schools take account of recommendations from Access to Work and any medical professionals. The Schools do not discriminate during recruitment and ongoing staff development because of impairment.

All Schools have a documented Accessibility Plan that is published on School websites.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

k. Trade Unions

DET had three full-time employees, who were relevant union officials during the year. One employee received two hours' paid facility time, one employee received three days of paid union activity time. The remaining employee received no paid facility or paid union activity time.

Objectives and Activities

a. Objects and Aims

The principal object and aim of DET is the operation of a number of Schools to provide free education and care for pupils of different abilities between the ages of four and nineteen within their local communities.

b. Objectives, Strategies and Activities

During the year, the individual Schools have worked towards achieving these aims by:

- Ensuring that every child enjoys the same high-quality education in terms of resourcing, teaching and learning, curriculum provision and assessment;
- Raising the standard of educational achievement to ensure high levels of pupil attainment and standards for all pupils;
- Improving the effectiveness of each School by keeping the curriculum and organisational structure under continual review;
- Providing value for money for the funds expended;
- Complying with all appropriate statutory and curriculum requirements;
- Conducting the School's business in accordance with the highest standards of integrity;
- Establishing high-quality care, guidance and support of pupils, personal development and wellbeing and inclusiveness; and clear leadership and management.

DET's core purpose is to improve the life chances of its pupils, maximising their achievements, both academic and social. It aims for each of its Schools to become the school of choice within their local communities, offering a broad and exciting range of extra-curricular activities to enhance the opportunities offered by the formal curricula.

DET's underlying ethos is that strong and effective leadership places its children and young people at the heart of everything it does. Its vision is articulated in five key statements:

- Our Schools offer our children and young people a high-quality inclusive education, a broad, balanced and ambitious curriculum and a safe and stimulating place to grow, learn and develop. All pupils are fully prepared to seize the opportunities of the rapidly changing world and become active and responsible global citizens.
- There is effective support for the wellbeing of pupils and collaborative multi-agency working. Our pupils have a positive attitude to their education, reflecting a respectful culture and high expectations for behaviour.
- Our Trust is an employer of choice and invests in the professional development and wellbeing of its workforce.
- Rigorous financial planning and risk management underpin improvement and innovation and create sustainability, enabling our Trust to expand to include local schools that share our ambitions.
- Our Schools collaborate and are mutually supportive, but challenging, partners. There is wide ranging communication with stakeholders in School and in the wider community. Their feedback helps us to continue to improve.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities (continued)

DET's key strategic priorities for 2021 to 2025 are:

- The Quality of Teaching;
- Pupil Progress and Attainment;
- Pupil Safety and Wellbeing;
- Pupil Behaviour and Attitudes;
- Strong and Effective Leadership and Management, including Governance;
- Staff Morale and Wellbeing.

The strategic priorities were reviewed and refreshed at a Strategy Day held on 30 September 2023. This has ensured that the DET strategy is current and appropriate for its expansion to four Schools on 1 September 2023, and to five Schools before the end of the Autumn Term 2023/24.

c. Public Benefit

The Trustees believe that, by working towards the objectives and aims of DET as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities (continued)

Strategic Report

a. Key Performance Indicators

The Trustees receive monthly information to enable them to monitor the performance of the constituent Schools, compared to aims, strategies and financial budgets.

Financial Performance Indicators:

- As funding is based on pupil numbers, this is a KPI with funding per pupil calculated for General Annual Grant (GAG) funding, Sixth Form funding, total funding and total income.
- Revenue expenditure per pupil is calculated for teaching costs, non-teaching staff costs and other costs and total per pupil.
- The Trust aims for each School to have no more than 80% staffing costs in line with DfE requirements.
- Staffing costs, a substantial element of total costs, are calculated as a percentage of GAG funding, Education and Skills Funding Agency (ESFA) funding, total income and total expenditure. Also calculated is average teacher cost.
- The TB receives management accounts, balance sheet and cash-flow analysis on a monthly basis.
- Surplus as a percentage of Funding/Income.

Other Performance Indicators:

- Examination results and National Curriculum Standard Assessment Tests (SATS);
- Ofsted inspection outcomes;
- Pupil attendance data;
- Pupil exclusion data;
- Pupil admissions data;
- Pupil attainment and progress data.

b. Going Concern

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

c. Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of DET. Details regarding engagement with employees, suppliers, parents/carers, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the Reserves Policy below, as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal Risks and Uncertainties later within this Strategic Report.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

(continued)

d. Achievements and Performance

DET continued in its mission and core purpose of improving the life chances of its pupils and of maximising their achievements, both academic and social. It encouraged a wide range of extra-curricular activities; developed and retained knowledgeable and committed staff and guided pupils in suitable progression as they left each School.

Chase High School

CHS was shortlisted for national recognition for the second year running; nominated for the Pearsons' Award for 'Making a Difference' and receiving individual awards for 'Digital Innovator of the Year' for the Head of IT as well as 'Outstanding New Teacher' Award for the French ECT teacher and 'Outstanding Support Staff' for the science technician. Additionally, the numbers on roll are at another record high, following an increase in the School's Published Admission Number (PAN) from 226 to 256 pupils in Year 7 and record first choice applications, as well as the highest number of Year 12 pupils' applications to date. This will be further bolstered in September with the newly established link with Chelsea football academy, which is to establish a regional base at CHS. This will link with the Elite Sports Academy in the main School and act as the pinnacle of sports performance and aspirations into Post 16.

Staff wellbeing survey results are above average on national benchmarking, and recruitment has been successful in a difficult climate. Future leaders have been identified to help ensure leadership capacity and contingency planning.

Elite Sports Academy

The Year 9 boys' basketball team was crowned Southend Borough Basketball Champions for the first time after winning all eleven matches, beating St. Thomas More High School in the finals.

A number of pupils competed at a high level in athletics; Sabella in Year 7 breaking the Borough Sports record in shot put and ranking second for her age category in the country. Six of the girl's team broke further School records at the Lee Valley Indoor Athletics, narrowly missing out on the semi-finals by three points. Girls' success continued with the Year 7 netball team going the whole season unbeaten, setting us up for many years of future success as we enter the county and national competitions next year.

Elite Performing Arts Academy

The EPAA entertained pupils from Lancaster School and local primaries to CHS, performing Humbug!, a musical play written by Miss Watts. In addition, the showcase production was Matilda, which the crew worked so hard on with exceptional dance, songs and comic undertones that made this one of the best ever School productions. The success of this programme has also reengaged pupils in music and the School will be running GCSE music again after several years of low numbers.

ACE Awards

The main awards evening this year took a different twist as CHS linked the evening to its vision and values in a newly formatted 'ACE Awards Evening'. 80 pupils and their parents were invited to celebrate achievements across the CHS personal development curriculum, hosted by Su Harrison (breakfast radio presenter), who gave an inspirational speech about her journey and how she overcame adversity.

Exam Results 2022/23

Exam grades in 2023 were awarded based on Ofqual returning to pre-pandemic grading arrangements. Ofqual wrote to schools, governors and trustees to make them aware that it would be highly likely that individual school and college headline results would be lower this year than last year.


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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

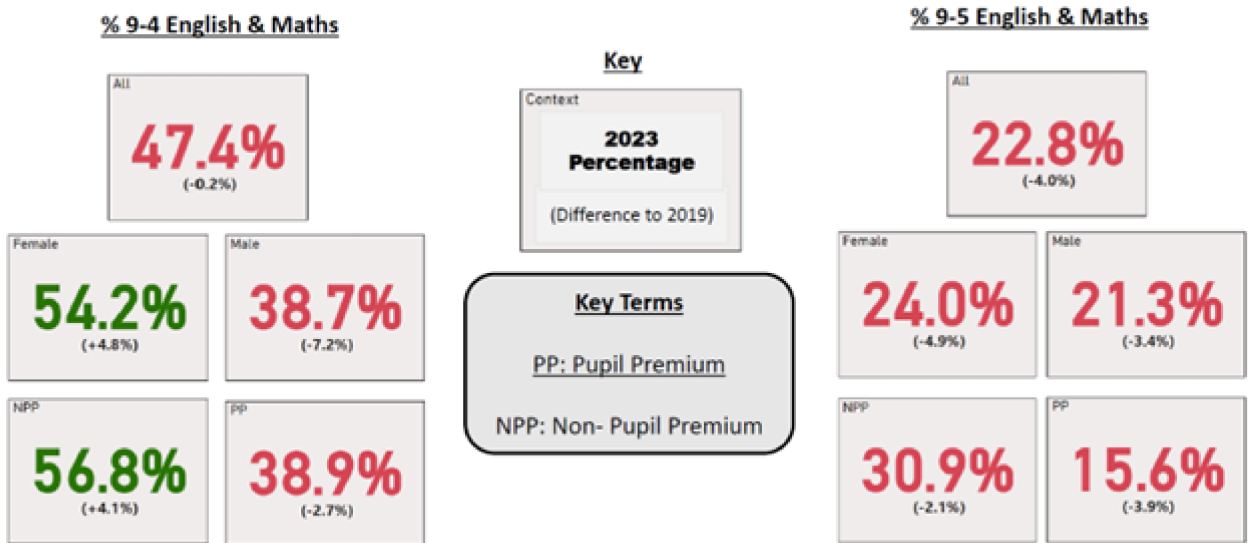
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Key Stage 4 - GCSE

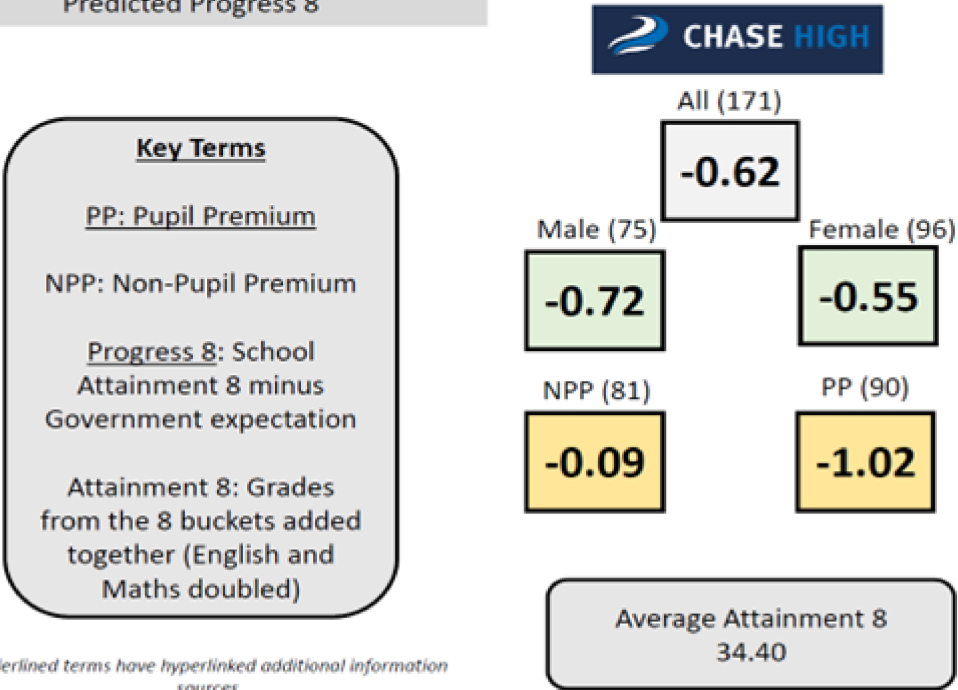


Achievement Benchmarks compared to 2019





Predicted Progress 8



Underlined terms have hyperlinked additional information sources

Total pupils in brackets

Progress 8 values based on 2023 SISRA collaboration data

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

(continued)

Key Stage 5 – Post-16

A Level (35 pupils)

- Average Grade - D+;
- Average points per entry - 22.22;
- Total entries - 54;
- Average points per pupil - 34.29.

Applied General (46 pupils)

- Average Grade - Merit;
- Average points per entry - 20.82;
- Total entries – 85;
- Average points per pupil - 38.48.

Tech Level (23 pupils)

- Average Grade - Merit;
- Average points per entry - 24.15;
- Total entries - 47;
- Average points per pupil - 49.35.

Level 3 Overall (68 pupils)

- Average Grade - D+;
- Average points per entry - 21.91;
- Total entries - 188.7;
- Average points per pupil - 60.81.

Larchwood Primary School

Context

The expansion of LPS to a fully two-form, community-centred school was completed in 2021/22 with a PAN of 60 in all Year Groups from Reception to Year 6. The School continues to be oversubscribed for entry into Reception and remains a school of choice within the local community. The School continues to ensure that it fulfils its mission statement where all children achieve their potential, enjoy their primary years and are given opportunities and experiences that they will remember for life. The School mantra 'Achievement and Enjoyment' continues to underpin all that it does.

The School promotes its six values of friendship, fairness, respect, responsibility, honesty and perseverance. Children are given multiple opportunities every day to develop these, and children demonstrate them in their learning and in the other roles they take at School, such as play leaders, lunch leaders, representing the School at sporting events and as members of the Junior Governing Board.

The School had an ungraded Ofsted inspection in September 2023 where the current inspection grade did not change, but Ofsted advised that it would return in one to two years. The School continues to be highly effective and its many strengths were recognised by Ofsted. The School Improvement Plan was finalised after the Ofsted inspection based on areas that Ofsted said the School needed to improve in. As part of this, the School has focussed on teaching and learning, the curriculum, leadership and management and disadvantaged pupils. This has led to a rise in outcomes across the School in most areas in the last year as well as subject leaders who have become even more effective.

Attendance remained above the national average.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

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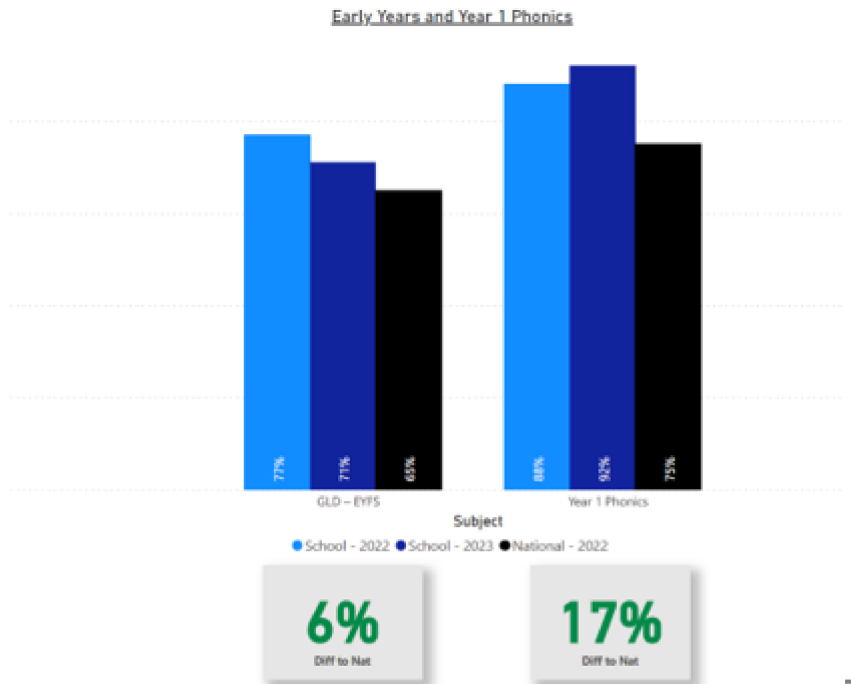
Curriculum

Reading continued to be a priority at the School. The School Improvement Plan also prioritised the curriculum. Areas of focus included the use of writing, foundations subjects (particularly history and geography) being more enquiry based with a focus on disciplinary knowledge as well as the substantive with the aim that children are better at retaining learning in the long-term memory.

Outcomes 2022/23

In Reception, 71% of children achieved a Good Level of Development (GLD) against a National Average (NA) of 65% in 2022.

92% (NA of 75% in 2022) of children reached the standard of the phonics screening check in Year 1.



Key Stage 1

In reading, 80% achieved expected standard (NA of 67% in 2022) and 30% achieved greater depth (NA of 18% in 2022).

In writing, 72% achieved expected standard (NA of 58% in 2022) and 8% achieved greater depth (NA of 8% in 2022).

In maths, 85% achieved expected standard (NA of 68% in 2022) and 21% achieved greater depth (NA of 15% in 2022).

The combined of reading, writing and maths was 72% at the expected standard (NA of 65% in 2019) and 3% achieved greater depth (NA of 12% in 2019).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

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Key Stage 2

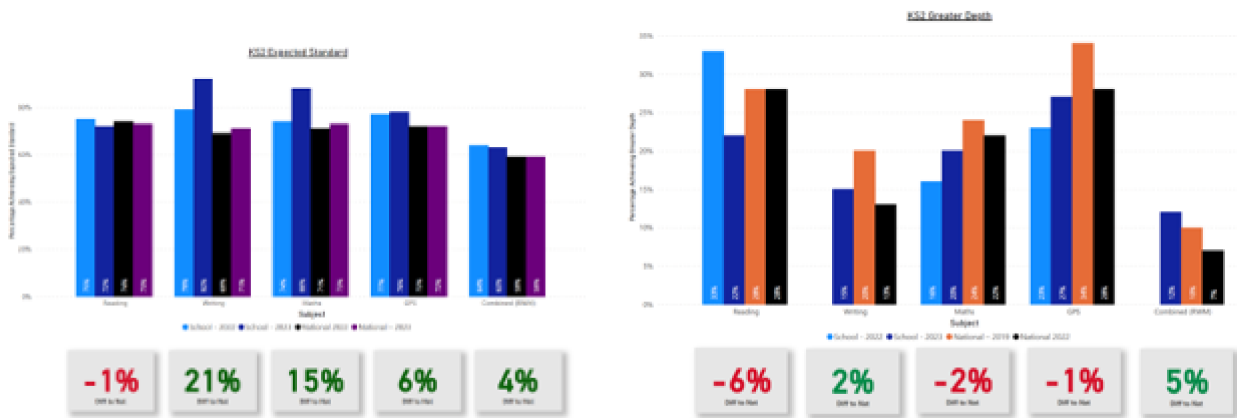
In Year 6 in reading, 72% achieved expected standard (NA of 73% in 2023) and 22% achieved greater depth (NA of 29% in 2023).

In writing, 92% achieved expected standard (NA of 71% in 2023) and 15% achieved greater depth (NA of 13% in 2023).

In maths, 88% achieved expected standard (NA of 73% in 2023) and 20% achieved greater depth (NA of 24% in 2023).

The combined of reading, writing and maths was 65% at the expected standard (NA of 59% in 2023) and 12% achieved greater depth (NA of 8% in 2023).

*The school's data for reading and GPS and greater depth in all areas may improve slightly as the School is awaiting a disapplication confirmation for one pupil.



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

(continued)

Parental Engagement

LPS continued to welcome parents and carers into the School for workshops, performances, parent consultations and events run by the Larchwood Primary Parent's Association (LPPA). The LPPA raised £20,308 this year, double the amount raised compared to last year and a record. After costs, this resulted in a profit of £9,901, again a record. The monies raised by the LPPA are being used to replace playground markings and to generally help with the development of the playground. The School and its Governors conducted parent surveys again this year, which proved very positive, as did Ofsted's Parent View.

Extra-curricular

The School was able to provide the children with a wide range of extra-curricular opportunities this year. There were over 25 clubs for children to participate in. School trips occurred, including a successful residential trip for Year 6. Additional visitors were able to support the curriculum such as drama and dance workshops, history and geography workshops and sports coaching. The wrap-around provision of Breakfast Club and After School Club (07:30 - 18:00 daily) continued, and has become more popular with over 50 children attending on occasions.

Partnerships

The School has continued to reinforce the strong partnerships with a number of organisations. As well as working closely with the Local Authority and with the Essex Primary Head's Association (EPHA), the Brentwood Collaborative Partnership (BCP) was able to increase activity. As part of a cluster of schools, LPS was able to conduct peer-to-peer reviews with a clear focus, and subject leaders met twice during the year. The School has extensive community links, including St George's Church, the Brentwood Schools Christian Workers Trust and the Shenfield Sports Partnership. The School works closely with the onsite Larchwood Family Hub operated by Virgin Care Ltd.

During the year, pupils supported Comic Relief, Children in Need and the Royal British Legion poppy appeal, with a total of £840 raised, excluding the poppy appeal. The School also collected food for the food bank run by St George's Church at harvest time. The Junior Governors raised over £1,000 in around three weeks from the community to fund a defibrillator that is now installed in the School Office.

Site Development

The School successfully secured funding of £425,000 through a CIF bid to replace the roof of the older parts of the School. The majority of this work was carried out in August and September 2022. The hall roof was replaced in August 2023. This has meant that the roof of the older part of the School is now fit for the future. The School has secured funding through further successful CIF bids amounting to approximately £500,000 to replace the water and heating distribution pipes during 2023/24. The School has invested in a new computer server, which was commissioned in August 2023.

St. Martin's School

In the academic year 2022/23, SMS continued its work to help pupils to *Be The Best They Can Be* by developing them as fully rounded individuals, who can flourish in the future. At the core of this are three strands: Traditional Values, Learning for the Future, Outstanding Personal Achievement.

Traditional Values include the personal development and wellbeing of the SMS pupils. The School places equal importance on exemplary behaviour, smart appearance and good manners as well as encouraging all of its pupils to make a positive contribution to their School and the local community.

Learning for the Future is more than just gaining excellent exam results. They are not enough on their own to help SMS pupils face everyday life situations in the 21st century. Throughout their time in School, pupils develop skills and attributes, such as teamwork, honesty, resilience, independence, versatility and empathy. These are

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

(continued)

key to empowering them to be successful, fully-rounded individuals, who can flourish in every aspect of their lives.

Outstanding Personal Achievement is the ultimate goal of the SMS pupil's personal journey, regardless of starting point or ability. The School continually encourages and challenges in all aspects of School life to enable pupils to achieve as highly as possible. The nature of the achievement is very different for every pupil, and encompasses a whole raft of subjects, activities and personal preferences at all levels of ability. The School prides itself on its extra-curricular offer. There is something for everyone, whatever their ability and taste. All School departments offer endless clubs and enrichment beyond lessons. In addition, pupil leadership in School goes from strength to strength with several groups covering all areas of School, from Subject Ambassadors to the Community Group, to the ARC (Assessment, Reflect, Challenge) Group. The ARC Group played a huge part in redesigning the SMS effort grading system and the new *Self Reflection* process, which all Year Groups and staff participated in this year for the first time.

THRIVE

Following a year of development, INSET and feedback, THRIVE (**T**eam worker, **H**onest, **R**esilient, **I**ndependent, **V**ersatile, **E**mpathetic) was introduced into the School in September 2022. The initiative encapsulates and promotes the skills and attributes that the pupils develop every day. It was developed by the SMS pupil and staff vision groups, and, whilst there is still work and embedding to do, the initiative is already the core element of the new reward system, which was introduced and designed by the pupils and regularly monitored by *VISIO* - the pupil leadership group dedicated to the vision and ethos of the School.

Pupil absence in School is still a major problem as it is nationally. While SMS attendance has dipped from the very high levels pre-pandemic, it is still above National Average and the School received an award from Fischer Family Trust for being in the top 25% of schools in the autumn term

The increase in Year 7 intake since 2020 continued for the September 2023 cohort. A successful recruitment process resulted in 289 first choices for a PAN of 292. This is a further increase from last year and up by 97 from 2020. Overall applications were up again totalling 1,225 compared to 1,028 in 2020.

Exam Results 2022/23

Exam grades in 2023 were awarded based on Ofqual returning to pre-pandemic grading arrangements. Ofqual to make them aware that it would be highly likely that individual school and college headline results would be lower this year than last year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report (continued)

(continued)

Key Stage 5 – Post-16

- Grade A*- A = 19.00%, which is 7% below national average.
- Grade A*-B = 39.80%, which is 6% below the national average.
- Grade A*-C = 67.10%, which is in line with national average.
- Decreases from 2019 in the number of pupils gaining A*-A, A*-B and A*-C grades.
- 35% of BTEC results were at the top grades of D*-D. 89% were D*-M.
- ALPS score has decreased from ALPS 4 in 2019 (black) to 6 (black).
- Overall pupil progress places the school in the middle 50% of Sixth Form providers.
- 72% of pupils succeeded in obtaining a place at their first-choice university and 22% went to Russell Group universities.
- Females have outperformed their male peers in all achievement bands. The gender gap, has increased from 2019.

Financial Review

DET's principal source of funding is the GAG funding that it receives from ESFA. For the period ended 31 August 2023, DET received £25,982,499 (2022 - £22,410,552) in GAG and other funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver DET's primary objective of the provision of education. During the year, DET spent £22,132,984 (excluding depreciation and pension adjustments), and transferred £417,710 to support capital, new build and improvement projects.

DET brought forward from 2021/22, £513,328 restricted funding and £1,396,234 unrestricted funding. The carry forward for 2022/23 is £643,648 restricted funding and £1,687,495 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard (FRS) 102, DET is recognising a pension fund deficit of £46,000 (2022 - £1,525,000). This does not mean that an immediate liability for this amount crystallises, and such a deficit generally results in a cash-flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of DET.

a. Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. They always aim to ensure that each DET School sets a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the DET CFOO. The budget plan identifies how any carry forward is allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

DET's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,687,495 (2022 – £1,396,234). This has been built up from a mixture of locally raised income and balances transferred from predecessor Schools.

DET's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £2,331,143 (2022 - £1,909,562).

DET's cash balance has been very healthy all year, ending the year with a balance of £3,417,453 (2022 - £3,062,121). A significant proportion of this is held against specific projects and is not available to meet normal recurring expenditure. The Trustees regularly monitor cash-flow at half-termly TB meetings and DET holds a cash contingency equivalent to one month's gross salary expenditure, which totals approximately £1,087,000 for DET and its Schools. Further reserves are maintained due to the anticipated reduction in funding in future years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

During academic year 2022/23, DET produced a stand-alone Revenue and Capital Reserves Policy that was approved by the Finance and Resources Committee on 23 March 2022 and made no changes.

b. Investment Policy

The Trustees have a policy of investing DET's cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment.

During academic year 2021/22, DET produced a stand-alone Treasury Management Policy that was approved by the Finance and Resources Committee on 23 March 2022.

c. Principal Risks and Uncertainties

DET maintains a Risk Register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on a termly basis and the internal control systems and the exposure to said risks are monitored directly by the TB and its Audit and Risk Committee. The principal risks facing DET, at a contextual level, are outlined below; those facing each School, at an operational level, are addressed by its systems and by internal financial and other controls.

For further details, see the statement of internal control below.

The Trustees report that the financial and internal controls conform to guidelines issued by the ESFA and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable, but not absolute assurance that major risks have been adequately managed.

As a Trust, the level of financial risk is low. Cash-flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure, and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the principal risks and uncertainties facing DET as follows:

- DET has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage DET's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of DET is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed;
- Safeguarding and Child Protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of safeguarding and child protection policies and procedures, health and safety and discipline;
- Staffing – DET's success is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring that there is clear succession planning;
- Uncertainty in the energy markets – current contracts renew in April 2023 and September 2023. Purchasing/renewal will use the DfE's Energy Procurement Framework;
- Fraud and mismanagement of funds – DET has appointed an Internal Auditor to carry out checks on financial systems and records as required by the ATH. All Finance staff receive training to keep them up to date with financial practice requirements and to develop skills in this area.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

DET has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness. During academic year 2022/23, DET continued to embed the well-respected and innovative risk management application called CalQRisk. This application enables the assessment of risk via an algorithm, which determines risk scores based on a question set dictated to by the requirements of legislation such as the ATH, and UK GDPR.

The Trust Coordinator continues to be responsible for Risk Management across DET and, at least, termly engagement takes place with HTs and nominated staff to ensure that the Risk Register in CalQRisk is an accurate and complete record of both strategic and operational risks across DET and its Schools.

Fundraising

DET does not work with professional fundraisers or companies, who carry out fundraising on its behalf. The DET Schools do, however, raise funds through charity initiatives, such as non-uniform days.

LPS also benefits from an active Parent Association. Funds raised, during the year at LPS, via both channels totalled a record of £9,901 net following deduction of costs associated with the Parent Association events.

Charity initiatives at CHS raised in in the region of £1,500. There were no funds raised at SMS during the reporting period.

During the year, no complaints or issues have arisen as a result of the fundraising events that were held.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023 - UK:		
Total energy consumption (kWh)		5,016,737
Energy consumption break down (kWh)		
<input type="checkbox"/>	Gas	3,305,285
<input type="checkbox"/>	Electricity	1,700,007
<input type="checkbox"/>	Transport fuel - owned transport	4,451
<input type="checkbox"/>	Transport fuel - employee vehicles	6,994
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption		684.44
Owned transport – mini-buses		2.10
Total Scope 1		686.54
Scope 2 emissions in metric tonnes CO₂e		
Electricity		306.00
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles		1.75
Total gross emissions in metric tonnes CO₂e		994.29
Intensity Ratio:		
Number of pupils		3,501
Tonnes CO ₂ e per pupil		0.28

Quantification and Reporting Methodology

DET has followed the 2019 HM Government Environmental Reporting Guidelines. It has also used the Greenhouse Gas 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

Continued the use of video conferencing technology for Member, Trustee, Governor, staff and parental meetings, to reduce the need for travel to and from, and between sites.

DISCOVERY EDUCATIONAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined Energy and Carbon Reporting (continued)

Flat roof refurbishment at LPS ensures that the building is watertight, and thermally efficient. Furthermore, two further successful bids for CIF funding will enable the replacement of existing hot and cold-water pipework and hot water heaters/calorifiers as well as the replacement of all heating plant, distribution pipework and radiators. Replacing the corroding, 50+ year old pipe distribution network will improve heat and water flow, maintain efficiencies, prevent future failures and reduce bills. At CHS, a successful award of CIF funding for wholesale lighting replacement to LED will ensure that the school achieves required LUX levels and improves efficiencies towards a sustainable approach.

Plans for Future Periods

Given current budgetary pressures, DET continues with its endeavours to improve the levels of attainment and progress of its pupils at all levels and will attempt to maintain its recent progress in ensuring that the number of pupils on roll properly reflects the demand for places. The Trustees continue to enhance and expand facilities in pursuance of DET's commitment to ensure that all pupils achieve their potential. It is recognised that pupils with differing abilities and aptitudes have differing curriculum requirements and that a greater diversity of learning environments is required to deliver these.

Whilst the buildings for all Schools continue to be in a good overall state of repair, the following CIF bids were successful for 2023/24:

CHS

- Fire Safety and Electrical Improvements £2,269,596

LPS

- Heating Distribution Replacement £365,217
- Water Quality Improvements £204,259

School Expansion Plans

The expansion programme for LPS has reached full capacity, 420 pupils, in 2021/22. The expansion programme for CHS began in 2020/21 with the Year 7 intake increasing from 196 to 226. Overall, CHS pupil capacity will increase from 1,280 to 1,460 (including a bulge intake in academic year 2023/24, reaching full capacity in 2024/25).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Trust Expansion Plans

In the academic year 2022/23, three new Trustees were appointed, although two Trustees also resigned.

Recruitment efforts continue. As at the end of the 2022/23 academic year, DET had nine Trustees. The intention is to increase this number to twelve.

During the year, the following TB Committees were constituted and all held regular meetings as required by relevant Terms of Reference:

- Audit and Risk Committee;
- Finance and Resources Committee;
- Pay Committee;
- CEO Performance Management Committee;
- HT Performance Management Committee.

The governance of the Trust was extensively reviewed in readiness for the start of academic year 2020/21, resulting in the production of a significant suite of governance documents, including, but not limited to, Role Descriptions for key governance personnel and Terms of Reference for all TB Committees, as well as a more robust Scheme of Delegation and Risk Register. The appointment of Link Trustees to cover key areas of Safeguarding, Disadvantaged and SEND was also formalised.

An external review of governance has been tendered and procured to take place in Autumn Term 2023/24.

The Central Services team continues to be reviewed for efficiency and effectiveness. The following roles were

recruited for and filled in the reporting period:

- Trust Development Lead (Primary Phase) (0.4 FTE);
- Trust Finance Assistant (0.8 FTE);
- Trust Finance Assistant;
- Trust Consultant Headteacher (0.6 FTE).

The roles detailed below and appointments referenced above create a robust and effective foundation at the heart of the Trust, ensuring a consistent and quality-assured approach across all aspects of DET's activity:

- CEO;
- Trust Development Lead – Quality of Education;
- Trust Development Lead – Personal Development, Behaviour and Attitudes;
- Trust Development Lead – Progress, Attainment and Data (0.4 FTE);
- Chief Financial and Operations Officer;
- Deputy Chief Financial and Operations Officer;
- Trust Coordinator (0.8 FTE);
- Trust Director of IT;
- Trust Director of HR
- Trust Payroll Manager;
- Trust Finance Officer.;
- Trust Governance Professional.

Further to the Trust review of plans for expansion in the last reporting period, two primary schools have been approved to join the Trust in the academic year 2023/24. The Trust believes that these additional schools will help to further collaborative working, economies of scale and streamlined Central Services.

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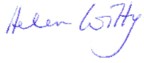
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Provision of Information to Auditors

Each of the persons, who are Trustees at the time when this Trustees' Report is approved, has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which DET's Auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by DET's Auditors in connection with preparing its Report and to ensure that DET's Auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2023 and signed on its behalf by:



Mrs H Witty
Chair of the Trust Board

DISCOVERY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

As Trustees, we have reviewed and are mindful of the guidance provided by the Department for Education (DfE) in its Governance Handbook and its Competency Framework for Governance.

The Trust Board (TB) has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and, in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between DET and the Secretary of State for Education, he is also responsible for reporting any material weaknesses or breakdowns in internal control to the TB.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The TB has formally met 5 times during the year with the Audit and Risk Committee (ARC) and the Finance and Resources Committee (FRC) meeting three times each.

Attendance during the year at meetings of the TB was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Cowen	4	5
Mr R Duff	5	5
Mr C Hearn	4	5
Mr C Holme	4	5
Mr R Juniper	5	5
Mr A Sharma	3	5
Mrs K Tucker, Vice Chair	5	5
Mr Z Glaser	0	0
Mrs H Witty, Chair	5	5
Mr S Baines	2	2
Mr S Whitley	0	2

Review of year

Members – there were no appointments made during the year.

There were no resignations that occurred during the year.

Trustees – the following appointments were made during the year:

- Mr S Baines
- Mr Z Glaser
- Mr R Juniper
- Mr S Whitley

The following resignations occurred during the year:

- Mr C Holme
- Mr A Sharma

As at 31 August 2023, the TB comprised nine Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During 2022/23, the TB dealt with the following key challenges:

- COVID after-effects: increased gaps in attainment and attendance between disadvantaged pupils and their peers; poorer mental health; strain on external services.
- Inflationary pressures combined with uncertainty over funding.
- Workload pressure on teaching staff, the CEO, Headteachers (HTs), Senior Leadership Teams (SLTs) and the Central Services Team.
- Recruitment and retention of high-quality staff: HTs, teaching staff and Support Staff.
- Recruitment and retention of Members, Trustees and Local Governors with appropriate skills and experience.
- Building capacity for expansion to five schools from 1 September 2023.
- Planning for uncertainty with regard to pupil numbers this year and going forward.

During 2022/23, the TB benefitted from the following key opportunities:

- Upgrades to the Trust's financial system to assist in maintaining prudent financial management.
- Successful CIF bids for all three schools, including a block of new classrooms at SMS.
- Appointment of high-quality, experienced, but temporary leaders.
- Appointment of a Director of IT responsible for the strategic development and management of the Trust's ICT infrastructure and support service.

Conflicts of Interest

DET ensures that annual declarations of business, pecuniary and personal interests are made by all Members, Trustees and Local Governors and detail is added to Registers that are published on the Trust website (Members and Trustees) and the School websites (Local Governors). Additionally, there is a standing agenda item at every Member (including the Annual General Meeting), TB (including ARC and FRC) and Local School Committee (LSC) meeting for all attendees to declare any conflict of interest in any agenda item. Any such declaration is minuted and the member asked to leave the meeting when the relevant item is discussed.

The Conflicts of Interest clauses 97 and 98 in the Trust's Articles of Association clearly articulate that Trustees shall disclose any interest as soon as they become aware of it. Additionally, the DET Trustee and Local Governor Code of Conduct states that "It is the responsibility of Trustees and Local Governors to ensure that they are familiar with DET's rules on handling conflicts of interest and to ensure that they comply with those rules".

All of the Governance Professional, the Trust Coordinator, the CFOO and the Chair of the TB are fully aware of the content of the Member and Trustee register and ensure that no conflicts exist prior to discussion even if they are not declared, and that no conflicts exist in all other governance matters. The Governance Professional and the Chairs of the LSCs are similarly aware of the content of the Local Governor register and ensure the same at LSC meetings and in the conduct of School governance business.

Review of Governance

The TB continued in its practice of maintaining clear Terms of Reference and Role Descriptions across the Trust and the Trust Scheme of Delegation was amended several times during the year to reflect the evolving governance model and improvements and developments borne out of lessons learned. Notwithstanding changes, the Scheme of Delegation is reviewed by the TB, at least, once per term.

A successful recruitment campaign for Members and Trustees was undertaken, including the development of detailed Recruitment Packs and advertisements tailored for different sites.

Trustees had agreed a review of governance to take place in the 2022/23 academic year. Following a robust tender/procurement process, that review will take place in the Autumn Term of the 2023/24 academic year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Finance and Resources Committee (FRC), a committee of the TB, was formed in Q1 2021 and held three meetings (one per term) during the academic year 2022/23.

The role of FRC is one of financial scrutiny and oversight:

- Supports the TB in maintaining DET as a going concern.
- Scrutinises all aspects of Human Resources and Estate Management.

Attendance during the year at meetings of FRC was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Hearn	3	3
Mr A Sharma	2	3
Mr R Juniper	3	3
Mr S Whitley	1	1
Mrs H Witty	3	3

The Audit and Risk Committee (ARC), a committee of the TB, was formed in Q4 2020 and held three meetings (one per term) during the academic year 2022/23.

The role of ARC is one of oversight:

- Reviews the overall risk profile of DET and all Schools for appropriateness.
- Monitors the risk management techniques employed at all levels within DET.
- Advises the TB on the adequacy of DET's internal control framework, including financial and non-financial controls and risk management arrangements.
- Directs a programme of Internal Scrutiny and considers the results and quality of External Audit.
- Advises the TB on audit reports and assurance activities from other bodies, for example, DfE and Education and Skills Funding Agency (ESFA).

Attendance during the year at meetings of ARC was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Cowen	3	3
Mr C Holme	3	3
Mr A Sharma	2	3
Mrs K Tucker	3	3
Mr S Baines	1	1

Local School Committees (LSCs), committees of the TB, are constituted in each DET School in accordance with the DET Articles of Association. LSCs formally meet three times a year (one meeting per term) and also meet informally a further three times per year for workshop-style meetings in order to further relevant Continuing Professional Development (CPD).

The role of the LSCs is summarised as The Three Ss:

- Safeguarding;
- Standards; and
- Stakeholder Engagement.

To note that this will be amended to The Four Ss from 2023/24. The further responsibility is SEND.

Attendance at LSC meetings during the year is published on the relevant DET School website.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that DET 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Central procurement to ensure that the best value is achieved through economies of scale whenever possible - e.g. tendering for gas and electricity, including the incoming Primary schools, external Payroll provision, Legal Services retainer, and Condition Surveys.
- Ensuring best value is achieved on contracts placed within the Trust utilising the approved frameworks wherever possible.
- Negotiation of contracts, for example, centralising contracts across the Trust with the increased purchasing power of 5 schools, e.g. IGS DPO, The Key, Access.
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.
- Monthly meetings with CFOO, DCFOO, Headteachers and Business Managers to ensure robust budget monitoring, realistic budgets, and proactive planning. The success of which has been demonstrated at Chase High this year with extensive capital investment in IT and building refurbishment.
- Central Services Team – expansion of team with further centralisation of processes – e.g. recruitment of 2 Finance Assistants, Director of HR and Director of IT.
- Rigorous scrutiny and central sign-off of all vacancies to identify ways of delivering the outcome for less financial resources and aligning with the internal KPI for 80% staffing costs as a % of total income.
- The National pay change for associate staff was implemented in April salaries and following information from Essex pension services adjustments have also been made. Rising on costs continue to be a concern to academies and all vacancies are carefully analysed to ensure only essential replacements are made.
- Introduction of the Trust Asset Management Plan to ensure school condition allocation funding is targeted to those areas of our estate in the greatest need.
- Seek independent, professional advice when tendering for large capital projects across the trust.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of DET 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 DET for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements.

DISCOVERY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

DET has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness. During academic year 2022/23, DET continued to embed best practice through its use of the well-respected and innovative risk management application called CalQRisk. This application enables the assessment of risk via an algorithm, which determines risk scores based on a question set dictated to by the requirements of legislation such as the Academy Trust Handbook (ATH), and UK General Data Protection Requirements (GDPR).

The TB has reviewed the key risks to which DET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The TB is of the view that there is a formal ongoing process for identifying, evaluating and managing DET's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by ARC and the TB.

The Risk and Control Framework

DET'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 TB;
- regular reviews by FRC of reports, which indicate financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has decided to employ School Business Services as internal auditor.

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

- Website review;
- Gifts and Hospitality Policy and Register;
- Whistleblowing Policy;
- Safeguarding and Child Protection Policy;
- GDPR Policy;
- Monthly Management Reporting;
- Year-End Procedures;
- Budgeting and Cashflow Process;
- Payroll;
- Financial Procedures;
- Accounting System;
- Banking Procedures

Throughout the academic year, the Internal Auditor reported to the TB on three occasions, through ARC, on the operation of the systems of control and on the discharge of the TB's financial responsibilities, and annually prepares a summary report to ARC outlining the areas reviewed, key findings, recommendations and conclusions to help ARC to consider actions and assess year-on-year progress.

The Internal Auditor delivered its schedule of work as planned and there were no material control issues arising as a result of the Internal Auditor's work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

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

- the work of the Internal Auditor;
- the work of the External Auditor;
- the School Resource Management Self-Assessment Checklist (SRMSAC);
- the work of the Trust Operational Leadership Team (TOLT), which has responsibility for the development and maintenance of the internal control framework.
-

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

Approved by order of the members of the Board of Trustees on 14 December 2023 and signed on their behalf by:



Mrs H Witty
Chair of the Trust Board



Mr R Duff
Accounting Officer

DISCOVERY EDUCATIONAL TRUST
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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Discovery Educational Trust I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Trust Board are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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 Trust Board and ESFA.

Ryan Duff

Mr R Duff
Accounting Officer
Date: 14 December 2023

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Trust Board on 14 December 2023 and signed on its behalf by:



Mrs H Witty
Chair of the Trust Board

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Discovery Educational Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 2023 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 2022 to 2023 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.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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.

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

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:

We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non-compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - the specialist skills required and
 - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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

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

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.

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.

Jason Lamont

Jason Lamont ACA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Registered Auditor

Kingsridge House

601 London Road

Westcliff on Sea

Essex

SS0 9PE

Date: 18 December 2023

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 31 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Discovery Educational Trust during the year 1 September 2022 to 31 August 2023 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 Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Discovery Educational Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discovery Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Discovery Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Discovery Educational Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academy Trust Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

MWS
Chartered Accountants
Reporting Accountant

Kingsridge House
601 London Road
Westcliff on Sea
Essex
SS0 9PE

18 December 2023
Date:

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	28,750	535,230	3,010,224	3,574,204	1,717,659
Other trading activities		415,056	49,374	-	464,431	326,437
Investments	6	424	-	-	424	359
Charitable activities		65,489	21,877,952	-	21,943,441	20,366,096
Total income		509,719	22,462,556	3,010,224	25,982,499	22,410,551
Expenditure on:						
Charitable activities		52,938	22,175,046	1,372,754	23,600,738	22,502,529
Total expenditure		52,938	22,175,046	1,372,754	23,600,738	22,502,529
Net income/(expenditure)		456,781	287,510	1,637,470	2,381,761	(91,978)
Transfers between funds	19	(165,520)	(252,191)	417,711	-	-
Net movement in funds before other recognised gains/(losses)		291,261	35,319	2,055,181	2,381,761	(91,978)
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	165,000
Actuarial gains on defined benefit pension schemes	27	-	1,574,000	-	1,574,000	8,765,000
Net movement in funds		291,261	1,609,319	2,055,181	3,955,761	8,838,022
Reconciliation of funds:						
Total funds brought forward		1,396,234	(1,011,672)	43,326,400	43,710,961	34,872,939
Net movement in funds		291,261	1,609,319	2,055,181	3,955,761	8,838,022
Total funds carried forward		1,687,495	597,647	45,381,581	47,666,723	43,710,961

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 42 to 70 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 07638800

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	41,954,881	41,376,057
Investment property	15	450,000	450,000
		<u>42,404,881</u>	<u>41,826,057</u>
Current assets			
Debtors	16	3,715,110	2,122,310
Cash at bank and in hand		3,417,453	3,062,121
		<u>7,132,563</u>	<u>5,184,431</u>
Creditors: amounts falling due within one year	17	(1,821,010)	(1,768,343)
Net current assets		<u>5,311,553</u>	<u>3,416,088</u>
Total assets less current liabilities		<u>47,716,434</u>	<u>45,242,145</u>
Creditors: amounts falling due after more than one year	18	(3,710)	(6,183)
Net assets excluding pension liability		<u>47,712,724</u>	<u>45,235,962</u>
Defined benefit pension scheme liability	27	(46,000)	(1,525,000)
Total net assets		<u><u>47,666,724</u></u>	<u><u>43,710,962</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	45,381,581	43,326,400
Restricted income funds	19	643,648	513,328
		<u>46,025,229</u>	<u>43,839,728</u>
Restricted funds excluding pension asset	19	46,025,229	43,839,728
Pension reserve	19	(46,000)	(1,525,000)
Total restricted funds	19	<u>45,979,229</u>	<u>42,314,728</u>
Unrestricted income funds	19	<u>1,687,495</u>	<u>1,396,234</u>
Total funds		<u><u>47,666,724</u></u>	<u><u>43,710,962</u></u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07638800

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 38 to 70 were approved by the Trustees, and authorised for issue on 14 December 2023 and are signed on their behalf, by:



Mrs H Witty
Chair of Trust Board

The notes on pages 42 to 70 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	139,138	1,528,730
Cash flows from investing activities			
	23	218,667	(655,242)
Cash flows from financing activities			
	22	(2,473)	(2,473)
Change in cash and cash equivalents in the year		355,332	871,015
Cash and cash equivalents at the beginning of the year		3,062,121	2,191,106
Cash and cash equivalents at the end of the year	24, 25	3,417,453	3,062,121

The notes on pages 42 to 70 form part of these financial statements

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

The Trust is a company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up in respect of the guarantee is limited to £10 per Member. The registered office is Hanging Hill Lane, Hutton, Brentwood, Essex, CM13 2HG.

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Discovery Educational Trust meets the definition of a public benefit entity under FRS 102.

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.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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.

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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.

• **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.

1.5 Interest receivable

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

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 25 / 38 years straight line
Freehold land	- Not being depreciated
L/Term leasehold land	- 125 years straight line
L/Term leasehold buildings	- 25 years straight line
Plant and machinery	- 10 years straight line
Computer equipment	- 5 years straight line

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

1.8 Investment property

Investment property is carried at fair value determined by the Trustees and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of financial activities.

1.9 Debtors

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

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Fund accounting

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	28,750	535,230	-	563,980	179,694
Capital grants	-	-	3,010,224	3,010,224	1,537,966
	<u>28,750</u>	<u>535,230</u>	<u>3,010,224</u>	<u>3,574,204</u>	<u>1,717,660</u>
<i>Total 2022</i>	<u>36,775</u>	<u>142,919</u>	<u>1,537,966</u>	<u>1,717,660</u>	

DISCOVERY EDUCATIONAL TRUST
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FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
provision of education				
DfE/ESFA grants				
General Annual Grant	-	19,103,406	19,103,406	18,271,110
Other DfE/ESFA grants				
Pupil Premium	-	792,872	792,872	757,680
Supplementary grant	-	512,439	512,439	212,950
Teachers' pension grant	-	124,695	124,695	120,306
Recovery premium	-	196,871	196,871	106,648
Rates relief	-	93,913	93,913	88,959
Free school meals	-	68,914	68,914	66,405
National Tutoring Programme	-	75,746	75,746	66,091
Teachers pay grant	-	-	-	42,575
Mainstream grant	-	258,921	258,921	-
Other DfE / ESFA grants	-	128,906	128,906	133,833
	-	21,356,683	21,356,683	19,866,557
Other Government grants				
Local Authority grants	-	521,269	521,269	401,565
	-	521,269	521,269	401,565
Catering income	65,489	-	65,489	97,974
	65,489	21,877,952	21,943,441	20,366,096
<i>Total 2022</i>	<u>97,974</u>	<u>20,268,122</u>	<u>20,366,096</u>	

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	106,210	-	106,210	117,428
Rental income	39,791	-	39,791	27,839
Other income	269,055	49,374	318,429	181,170
	<u>415,056</u>	<u>49,374</u>	<u>464,430</u>	<u>326,437</u>
<i>Total 2022</i>	<u>326,437</u>	<u>-</u>	<u>326,437</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	424	424	359
	<u>359</u>	<u>359</u>	
<i>Total 2022</i>	<u>359</u>	<u>359</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Provision of Education					
Direct costs	13,573,069	-	1,675,853	15,248,922	14,413,307
Support costs	4,243,524	2,585,122	1,523,170	8,351,816	8,089,222
	<u>17,816,593</u>	<u>2,585,122</u>	<u>3,199,023</u>	<u>23,600,738</u>	<u>22,502,529</u>
<i>Total 2022</i>	<u>17,691,700</u>	<u>2,280,062</u>	<u>2,530,767</u>	<u>22,502,529</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Provision of Education	15,248,922	8,351,816	23,600,738	22,502,529
<i>Total 2022</i>	<u>14,413,307</u>	<u>8,089,222</u>	<u>22,502,529</u>	

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension finance costs	47,000	147,000
Staff costs	4,243,524	4,472,505
Depreciation	1,372,754	1,312,023
Staff development	8,498	4,926
Technology costs	337,169	259,014
Legal costs	233,168	97,361
Travel costs	5,958	1,912
Other support costs	98,676	95,953
Recruitment costs	46,532	41,757
Maintenance of premises	449,591	366,432
Cleaning	254,597	118,559
Rates	121,273	97,978
Energy	376,098	371,937
Insurance	82,600	74,719
Security	10,809	13,133
Catering costs	390,363	370,194
Water & sewerage	64,687	49,481
Bank interest & charges	1,756	1,646
Telephone	86,659	49,072
Print, postage and stationery	91,471	107,787
Governance costs	28,633	35,833
	<u>8,351,816</u>	<u>8,089,222</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	34,161	23,374
Depreciation of tangible fixed assets	1,372,754	1,312,023
Fees paid to auditors for:		
- audit	15,000	13,725
- other services	5,475	4,775
	<u>15,475</u>	<u>18,500</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	13,041,940	12,491,989
Social security costs	1,384,331	1,322,350
Pension costs	2,974,622	3,717,329
	<u>17,400,893</u>	<u>17,531,668</u>
Agency staff costs	406,160	157,032
Staff restructuring costs	9,540	3,000
	<u>415,700</u>	<u>160,032</u>
	<u>17,816,593</u>	<u>17,691,700</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	2,540	-
Severance payments	7,000	3,000
	<u>9,540</u>	<u>3,000</u>

b. Severance payments

The Academy Trust paid 1 severance payments in the year (2022 - 1), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

c. Special staff severance payments

Included in staff restructuring costs is a non-contractual severance payment of £7,000 (2022 - £3,000) to one individual.

d. Staff numbers

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

	2023	2022
	No.	No.
Teaching	188	169
Administration and support	170	157
Management	30	23
	388	349

e. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	8	8
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	2	4
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	2	1

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £273,370 (2022 - £283,835).

Employer National Insurance contributions included within key management personnel remuneration was £25,389 (2022 - £26,635).

Employer pension contributions included within key management personnel remuneration was £48,353 (2022 - £50,277).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Central services

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

- Financial services and support
- Payroll services and support
- IT support services
- Premises, compliance and health & safety support
- Curriculum, teaching and learning, school improvement, and behaviour consultancy services

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

5.5% of GAG income

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
St Martin's School	567,208	487,598
Larchwood Primary School	101,808	86,806
Chase High School	426,153	356,226
Total	1,095,169	930,630

12. 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:

		2023	2022
		£	£
Mr R Duff	Remuneration	115,000 -	110,000 -
		120,000	115,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000

During the year ended 31 August 2023, travel expenses totalling £NIL were reimbursed or paid directly to Trustee (2022 - £125).

13. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	44,023,676	8,030,007	1,192,970	1,077,897	54,324,550
Additions	1,208,721	331,436	274,789	142,486	1,957,432
Disposals	-	-	(6,142)	-	(6,142)
At 31 August 2023	<u>45,232,397</u>	<u>8,361,443</u>	<u>1,461,617</u>	<u>1,220,383</u>	<u>56,275,840</u>
Depreciation					
At 1 September 2022	10,004,545	1,699,220	520,876	723,851	12,948,492
Charge for the year	849,556	241,614	115,827	165,757	1,372,754
On disposals	-	-	(286)	-	(286)
At 31 August 2023	<u>10,854,101</u>	<u>1,940,834</u>	<u>636,417</u>	<u>889,608</u>	<u>14,320,960</u>
Net book value					
At 31 August 2023	<u><u>34,378,296</u></u>	<u><u>6,420,609</u></u>	<u><u>825,200</u></u>	<u><u>330,775</u></u>	<u><u>41,954,880</u></u>
At 31 August 2022	<u><u>34,019,130</u></u>	<u><u>6,330,787</u></u>	<u><u>672,094</u></u>	<u><u>354,046</u></u>	<u><u>41,376,057</u></u>

15. Investment property

	Long term leasehold investment property £
Valuation	
At 1 September 2022	450,000
At 31 August 2023	<u><u>450,000</u></u>

The 31 August 2023 valuation was based on the prior year valuation performed by an independent RICS registered professional valuer on an open market value for existing use basis with the house price index movement applied to it. The valuation was based upon the values realised for similar properties in the local area.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	139,563	155,706
Other debtors	2,355	173
Prepayments and accrued income	3,423,975	1,851,276
VAT recoverable	149,217	115,155
	<u>3,715,110</u>	<u>2,122,310</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	2,473	2,473
Trade creditors	297,496	365,073
Other taxation and social security	328,427	304,109
Other creditors	333,924	361,457
Accruals and deferred income	858,690	735,231
	<u>1,821,010</u>	<u>1,768,343</u>

The balance of other loans relates to an interest free Salix loan granted by the Education and Skills Funding Agency.

	2023 £	2022 £
Deferred income at 1 September 2022	71,239	-
Resources deferred during the year	282,554	215,947
Amounts released from previous periods	(71,239)	(144,708)
	<u>282,554</u>	<u>71,239</u>

Resources deferred in the year are as follows:
 Universal infant free school meals £42,202 (2022 - £38,865)
 Educational visits contributions in advance £159,908 (2022 - £123,047)
 Rates relief £Nil (2022 - £28,254)
 Music tuition fees £5,600 (2022 - £17,169)
 Lettings paid in advance £Nil (2022: £1,000)
 Other income in advance £12,454 (2022: £787)
 Jack Petchy Awards £6,857 (2022 - £3,325)
 PRA funding for Autumn £Nil (2022: £3,500)
 Other grants £50,000 (2022: £Nil)
 Rent in advance £5,349 (2022: £Nil)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023	2022
	£	£
Other loans	3,710	6,183

Amounts falling due after more than one year represent the balance of an interest free Salix loan granted by the Education and Skills Funding Agency.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted funds	1,396,234	509,719	(52,938)	(165,520)	-	1,687,495
Restricted general funds						
General Annual Grant (GAG)	513,328	19,103,406	(17,905,895)	(1,067,191)	-	643,648
Pupil premium	-	792,872	(792,872)	-	-	-
Supplementary grant	-	512,439	(512,439)	-	-	-
Teachers' pension grants	-	124,695	(124,695)	-	-	-
Recovery Premium	-	196,872	(196,872)	-	-	-
Rates relief	-	93,913	(93,913)	-	-	-
UIFSM	-	68,914	(68,914)	-	-	-
National Tutoring Programme	-	75,746	(75,746)	-	-	-
Other DfE / ESFA grants	-	128,907	(128,907)	-	-	-
Mainstream grant	-	258,921	(258,921)	-	-	-
Local authority grants	-	521,269	(521,269)	-	-	-
Other income	-	48,970	(48,970)	-	-	-
Restricted donations	-	535,633	(535,633)	-	-	-
Pension reserve	(1,525,000)	-	(910,000)	815,000	1,574,000	(46,000)
	(1,011,672)	22,462,557	(22,175,046)	(252,191)	1,574,000	597,648

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Condition Improvement Fund (CIF)	1,493,511	2,771,730	-	(1,341,156)	-	2,924,085
Devolved Formula Capital	6,832	201,660	-	(155,875)	-	52,617
Local Authority	-	36,834	-	(36,834)	-	-
Restricted fixed assets	41,376,057	-	(1,372,754)	1,951,576	-	41,954,879
Investment property	450,000	-	-	-	-	450,000
	<u>43,326,400</u>	<u>3,010,224</u>	<u>(1,372,754)</u>	<u>417,711</u>	<u>-</u>	<u>45,381,581</u>
Total Restricted funds	<u>42,314,728</u>	<u>25,472,781</u>	<u>(23,547,800)</u>	<u>165,520</u>	<u>1,574,000</u>	<u>45,979,229</u>
Total funds	<u><u>43,710,962</u></u>	<u><u>25,982,500</u></u>	<u><u>(23,600,738)</u></u>	<u><u>-</u></u>	<u><u>1,574,000</u></u>	<u><u>47,666,724</u></u>

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

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

Unrestricted funds

Unrestricted general funds can be used to fulfil any of the Trust's charitable objects.

Transfers represent unrestricted funding used to finance restricted funding deficits.

Restricted general funds

These all relate to restricted government grants the application of which is limited to the conditions imposed by the respective funding agreements.

Transfers include employer contributions against the pension deficit and revenue contributions to capital expenditure.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme.

Restricted fixed asset funds

The balance of this fund represents the net book value of the Trust's tangible fixed assets plus any unspent capital grant funding.

Transfers represent revenue contributions to capital.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Unrestricted funds	999,593	461,546	(50,329)	(14,576)	-	1,396,234
Restricted general funds						
General Annual Grant (GAG)	746,840	18,271,110	(17,178,979)	(1,325,643)	-	513,328
Pupil premium	-	757,680	(757,680)	-	-	-
Supplementary grant	-	212,950	(212,950)	-	-	-
Teachers' pension grants	-	120,306	(120,306)	-	-	-
Recovery Premium	-	106,649	(106,649)	-	-	-
Rates relief	-	88,959	(88,959)	-	-	-
UIFSM	-	66,405	(66,405)	-	-	-
National Tutoring Programme	-	66,091	(66,091)	-	-	-
Teachers pay grants	-	42,575	(42,575)	-	-	-
Other DfE / ESFA grants	27,268	133,832	(161,100)	-	-	-
Local authority grants	-	401,565	(401,565)	-	-	-
Restricted donations	-	142,919	(142,919)	-	-	-
Pension reserve	(9,227,000)	-	(1,794,000)	731,000	8,765,000	(1,525,000)
	<u>(8,452,892)</u>	<u>20,411,041</u>	<u>(21,140,178)</u>	<u>(594,643)</u>	<u>8,765,000</u>	<u>(1,011,672)</u>

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
Condition Improvement Fund (CIF)	329,263	1,505,910	-	(341,662)	-	1,493,511
Devolved Formula Capital	-	68,889	-	(62,057)	-	6,832
Local Authority	-	(36,833)	-	36,833	-	-
Restricted fixed assets	41,996,975	-	(1,312,023)	691,105	-	41,376,057
Investment property	-	-	-	285,000	165,000	450,000
	<u>42,326,238</u>	<u>1,537,966</u>	<u>(1,312,023)</u>	<u>609,219</u>	<u>165,000</u>	<u>43,326,400</u>
Total Restricted funds	<u>33,873,346</u>	<u>21,949,007</u>	<u>(22,452,201)</u>	<u>14,576</u>	<u>8,930,000</u>	<u>42,314,728</u>
Total funds	<u><u>34,872,939</u></u>	<u><u>22,410,553</u></u>	<u><u>(22,502,530)</u></u>	<u><u>-</u></u>	<u><u>8,930,000</u></u>	<u><u>43,710,962</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
St Martin's School	1,451,090	1,020,715
Larchwood Primary School	209,555	267,650
Chase High School	582,214	591,293
Discovery Educational Trust	88,284	29,904
	<u>2,331,143</u>	<u>1,909,562</u>
Total before fixed asset funds and pension reserve	2,331,143	1,909,562
Restricted fixed asset fund	45,381,581	43,326,400
Pension reserve	(46,000)	(1,525,000)
Total	<u><u>47,666,724</u></u>	<u><u>43,710,962</u></u>

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19. 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 2023 £	Total 2022 £
St Martin's School	6,623,937	1,737,106	221,278	1,943,915	10,526,236	9,586,401
Larchwood Primary School	1,462,213	302,042	46,908	343,008	2,154,171	1,949,437
Chase High School	5,066,427	1,662,392	345,259	1,212,548	8,286,626	7,688,934
DET Central	420,492	541,983	3,907	294,569	1,260,951	1,965,734
Academy Trust	13,573,069	4,243,523	617,352	3,794,040	22,227,984	21,190,506

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	41,954,881	41,954,881
Investment property	-	-	450,000	450,000
Current assets	1,687,495	2,178,023	3,267,045	7,132,563
Creditors due within one year	-	(1,530,665)	(290,345)	(1,821,010)
Creditors due in more than one year	-	(3,710)	-	(3,710)
Provisions for liabilities and charges	-	(46,000)	-	(46,000)
Total	1,687,495	597,648	45,381,581	47,666,724

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	41,376,057	41,376,057
Investment property	-	-	450,000	450,000
Current assets	1,396,234	2,045,647	1,742,550	5,184,431
Creditors due within one year	-	(1,526,136)	(242,207)	(1,768,343)
Creditors due in more than one year	-	(6,183)	-	(6,183)
Provisions for liabilities and charges	-	(1,525,000)	-	(1,525,000)
Total	<u>1,396,234</u>	<u>(1,011,672)</u>	<u>43,326,400</u>	<u>43,710,962</u>

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	<u>2,381,761</u>	<u>(91,978)</u>
Adjustments for:		
Depreciation	1,372,754	1,312,024
Capital grants from DfE and other capital income	(2,121,683)	(78,297)
Interest receivable	(424)	(359)
Defined benefit pension scheme cost	95,000	1,063,000
(Increase)/decrease in revenue debtors	(772,524)	187,999
Increase/(decrease) in revenue creditors	2,739	596,010
(Increase)/decrease in capital debtors	(818,485)	(1,459,669)
Net cash provided by operating activities	<u>139,138</u>	<u>1,528,730</u>

22. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(2,473)	(2,473)
Net cash used in financing activities	<u>(2,473)</u>	<u>(2,473)</u>

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23. Cash flows from investing activities

	2023 £	2022 £
Interest received	424	359
Purchase of tangible fixed assets	(1,903,440)	(733,898)
Capital funding received from ESFA and others	2,121,683	78,297
Net cash provided by/(used in) investing activities	218,667	(655,242)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	3,417,453	3,062,121
Total cash and cash equivalents	3,417,453	3,062,121

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	3,062,121	355,332	-	3,417,453
Debt due within 1 year	(2,473)	2,473	(2,473)	(2,473)
Debt due after 1 year	(6,183)	-	2,473	(3,710)
	3,053,465	357,805	-	3,411,270

26. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	3,135,318	1,455,348

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27. 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 Essex Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £247,819 were payable to the schemes at 31 August 2023 (2022 - £308,352) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,093,364 (2022 - £2,052,635).

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.

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,016,000 (2022 - £912,000), of which employer's contributions totalled £815,000 (2022 - £731,000) and employees' contributions totalled £ 201,000 (2022 - £181,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 6.5 per cent for employees.

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

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	24.6	24.9

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. Pension commitments (continued)

Sensitivity analysis

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.1%	(199)	(259)
Discount rate -0.1%	205	265
Mortality assumption - 1 year increase	342	353
Mortality assumption - 1 year decrease	(331)	(343)
CPI rate +0.1%	200	253
CPI rate -0.1%	(195)	(247)
	<u> </u>	<u> </u>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2023	<i>2022</i>
	£	<i>£</i>
Equities	6,623,000	5,729,000
Gilts	146,000	196,000
Corporate bonds	-	451,000
Property	891,000	963,000
Cash and other liquid assets	333,000	305,000
Alternative assets	1,802,000	1,525,000
Other managed funds	1,588,000	1,013,000
	<u> </u>	<u> </u>
Total market value of assets	11,383,000	<i>10,182,000</i>
	<u> </u>	<u> </u>

The actual return on scheme assets was £496,000 (2022 - £25,000).

The amounts recognised in the Statement of financial activities are as follows:

	2023	<i>2022</i>
	£	<i>£</i>
Current service cost	853,000	1,643,000
Past service cost	4,000	-
Interest income	(450,000)	(160,000)
Interest cost	497,000	307,000
Administrative expenses	6,000	4,000
	<u> </u>	<u> </u>
Total amount recognised in the Statement of financial activities	910,000	<i>1,794,000</i>
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	11,707,000	18,515,000
Current service cost	859,000	1,643,000
Interest cost	497,000	307,000
Employee contributions	201,000	181,000
Actuarial gains	(1,644,000)	(8,900,000)
Benefits paid	(166,000)	(39,000)
Past service costs	4,000	-
Liabilities assumed on settlements	(29,000)	-
	<u>11,429,000</u>	<u>11,707,000</u>
At 31 August	11,429,000	11,707,000

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

	2023 £	2022 £
At 1 September	10,182,000	9,288,000
Interest income	450,000	160,000
Actuarial losses	(70,000)	(135,000)
Employer contributions	815,000	731,000
Employee contributions	201,000	181,000
Benefits paid	(166,000)	(39,000)
Administrative expenses	(6,000)	(4,000)
Settlement prices received/(paid)	(23,000)	-
	<u>11,383,000</u>	<u>10,182,000</u>
At 31 August	11,383,000	10,182,000

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

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2023.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's Lloyds ruling on the equalisation of GMPs between genders, it is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it has been assumed in the valuation that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust as such no provision has been included within these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

28. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	<i>2022</i>
	£	£
Not later than 1 year	14,428	<i>35,350</i>
Later than 1 year and not later than 5 years	20,552	<i>38,631</i>
	34,980	<i>73,981</i>

29. 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.

30. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

31. Post balance sheet events

After the balance sheet date, Hogarth Primary School was transferred into the Academy Trust. They transferred on 1 September 2023 for £Nil consideration. Estimated balances to be transferred on 1 September 2023 are as follows:

Land	£4,856,000
Buildings	£4,342,000
Cash	£554,344

32. Controlling party

There is no ultimate controlling party.