

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms A Pratten Mr G Morgan Mr P Day Mr D Smith Mr M Fossey Mr C Hearn Mr C Holme Mr S Palmer (resigned 19 February 2021) Mr R Duff Mrs T Nash (resigned 21 March 2021) Mrs H Witty, Chair Mrs K Wild-Smith Mrs K Tucker (appointed 24 September 2020) Ms K Evans (appointed 1 July 2021, resigned 29 September 2021) Ms L Stafford-Scott (appointed 1 July 2021) Mrs J Atkinson (appointed 11 January 2021, resigned 14 June 2021) Mr D Cowen (appointed 16 September 2021) Mr W Myhill (appointed 16 September 2021)
Company registered number	07638800
Company name	Discovery Educational Trust
Registered and principal office	Hanging Hill Lane Hutton Brentwood Essex CM13 2HG
Company Secretary	Mr P Griffiths
Executive Headteacher	Mr R Duff
Senior Leadership Team	Mr R Duff, Executive Headteacher Mr S Bowsher, Headteacher (Larchwood Primary School) Mr J Foster, Headteacher (Chase High School) Mr I Smyrk, Headteacher (St Martin's School) Ms A Pessell, Head of Finance
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

DISCOVERY EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report, together with the financial statements and Auditor's Report, of Discovery Educational Trust (DET), formerly Brentwood Academies Trust (BAT) for the year ended 31 August 2021. 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 3,308 pupils as recorded in the January 2021 census.

St Martin's School, Brentwood (SMS) initially converted to academy status on 1 July 2011 and subsequently became the BAT on 23 April 2014. The School was rated Good by Ofsted in January 2019 with the 16 to 19 study programmes 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 March 2018. Although rated as Requires Improvement, the inspection identified a number of key strengths and provided input that has given all those involved with CHS a renewed sense of direction and purpose. During academic year ended 31 August 2021, a new Headteacher was appointed, and changes to the Senior Leadership Team (SLT) structure were approved.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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, are included in the Reference and Administrative Details section.

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 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 ceased to be a Member.

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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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 ten 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 Executive Headteacher (EHT) in this report. The total number of Trustees, including the EHT, 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 Services. The latter programme also provides a range of training courses for both new and existing Local Governors and Trustees.
- 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.

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 EHT 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 a 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 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 safeguarding 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 his/her own School and its departments within the constraints of each allocated budget. DET has documented Financial Regulations and Schemes of Delegation to implement and manage the necessary financial controls.

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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 Policy, both policies 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 EHT.

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 EHT 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 EHT Performance Management Committee (comprising the Chair and Vice Chair of the TB, a further Trustee and an External Advisor) reviews EHT 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 EHT) review HT performance and recommend pay progression to the Pay Committee for approval.

Connected Organisation 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), including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

Trade Unions

DET has five employees, three full-time and two part-time, who were relevant union officials during the year. One of the full-time employees receives one free period per fortnight as paid facility time, with a review each academic year to assess if this is viable when considering timetable requirements. All other employees receive no paid facility time.

Employee Consultation

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

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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.

Engagement with Suppliers, Customers and Others in a Business Relationship with DET

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the COVID-19 outbreak, DET followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment to their suppliers.

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 and online with each School website incorporating both a news section and Twitter feed.

OBJECTIVES AND ACTIVITIES

Objectives 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 19 within their local communities.

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.

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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.

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.

STRATEGIC REPORT

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

In spite of the disruption caused by the COVID pandemic, CHS has continued its work to help pupils to develop and achieve both academically and personally. A key element of this work is the encouragement of a wide range of extra-curricular activities and School trips, extra responsibility for pupils via the prefect scheme and the commitment to help pupils progress to Post-16 education either at CHS or elsewhere. Results in 2021 were awarded using Teacher Assessed Grades (TAG), but the School awarded these with integrity in order that pupils achieved the grades that they were most likely to have achieved, had the examinations taken place.

Newly Qualified Teachers (NQT)/Early Career Teachers (ECT)

CHS works closely with Essex and Thames Primary School-Centred Initial Teacher Training (SCITT), which has taken over from Southend SCITT, to train teachers, together with University College London, TES Global and the University of Buckingham. Seven of the eight trainee teachers passed their training year and one has had an extension at another school. Four of the eight trainees are currently employed at the School and all six of our NQTs successfully completed their probation.

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Exam Results 2020/21

Key Stage 4 – GCSE

- For 2021, there were 185 pupils at the end of Key Stage (KS) 4, They arrived at the school with KS2 scores significantly lower than the national average and have made good progress.
- 71% of pupils achieved a grade 9-4 in english, which is an increase of 6% on last year. 50% achieved a grade 5 or above.
- 57% of pupils achieved a grade 9-4 in maths, a decrease of 6% from the previous year. 33% achieved a grade 5 or higher.
- 52% of pupils achieved a grade 9-4 in both english and maths, compared to 53% last year. 26% achieved a grade 5 in both, which was 1% lower than in 2020.
- 56% of our 91 Pupil Premium (PP) pupils achieved a grade 9-4 in both english and maths, close to the national average. 19% achieved 5 and above in both.
- The gap between PP pupils and non-PP pupils has decreased from 20% last year to 11% this year.
- Using the 2019 DfE A8 estimates, the estimated P8 for CHS in 2021 would have been -0.07, up from -0.23 in 2020 and would have placed the School in the “average” category. P8 for english is -0.15 and for maths is -0.24.

Key Stage 5 - Post-16

- Summer 2021 saw very pleasing results for Post-16 pupils. 70 pupils left the School at the end of KS5.
- 23 pupils sat a total of 39 A-levels between them. The percentage of A*- B grades has risen to 56%. The average point score per entry increased to 31.05 from 28.9 in 2020.
- 43 pupils took a BTEC qualification. The average BTEC points per A-Level equivalent entry was 26.0 compared to 27.1 in 2020.
- CHS does not use A-level Performance System (ALPS), but does use Service for Improved Schools' Results Analysis (SISRA) for its analysis.

The percentage of pupils, attending university or Higher Apprenticeships, was 37% of the cohort. The range of destinations and the ability of pupils to secure their university of choice continues to be something, of which, the School is very proud.

January to March

From 4 January, the School closed to all, but key worker and vulnerable children. More children attended School than in the previous lockdown, with three IT rooms being used to enable the children to log into remote lessons from School. The School used Microsoft Teams to deliver lessons remotely and pupils were registered on School Information Management System (SIMS). Attendance was good.

Since September 2020, 329 PCs and laptops have been given to pupils, 200 of these to PP pupils, 17 4G dongles and one SIM card were also purchased and distributed. These purchases have been funded using the Government's Catch Up funding.

All KS3 pupils were given a stationery pack to use during lockdown.

39 food parcels were distributed to needy families.

The School participated in the online National Tutoring Programme for catch-up, with all of Year 10 pupils having 15 hours of tuition in either maths or English, depending on need.

The School organised two weeks of Summer School using teachers from CHS and from LPS. Approximately 50 Year 7 pupils and over two hundred Year 6 pupils attended separate weeks where they participated in a range of fun and academic activities. These included maths and English lessons every day, falconry, a petting zoo, sports activities and sign language lessons.

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Larchwood Primary School

LPS is a community-centred School, which is in the final stages of an expansion of pupil numbers to two form entry. From Reception to Year 5 the Published Admissions Number (PAN) is 60 and will be 60 for Year 6 next year. The School remains oversubscribed for admission into Reception.

LPS has extensive community links including St George's Church, the Brentwood Schools Christian Workers Trust and the Shenfield Sports Partnership. The School is part of the Brentwood Collaborative Partnership (BCP), a large group of Brentwood-based primary schools. The School works closely with the onsite Larchwood Family Hub operated by Virgin Care Ltd.

During the year, pupils supported The Royal British Legion Remembrance Day, Comic Relief and Children in Need. The School worked with Multi Schools Council throughout the year and has received training on Special Educational Needs and Disability (SEND), while the Junior Governing Board attended virtual meetings and helped organise a 'Green Day' where all classes wore green and participated in activities to improve the environment.

The School continues to offer an array of opportunities and experiences for all pupils including a wide range of extra-curricular clubs and wrap-around provision (07:30 - 18:00 daily), with Year 6 pupils leaving fully prepared for secondary school and life beyond LPS. In July 2020, children moved to six different secondary schools for Year 7.

NQTs/ECTs

In the academic year 2020/21, one NQT was employed by the School, who successfully completed the year.

Exam Results 2020/21

There were no results in 2020/21 as all assessments were cancelled due to COVID pandemic. However, across the School, LPS TAGs for Early Years, Year 1 Phonics, Year 2 and Year 6 were above 2019 National Average.

January to March

From January until March, the children were taught remotely, due to the lockdown, via Tapestry for Reception and via Microsoft Teams for children in Years 1 to 6. Staff and pupils rose to the challenge of this quickly. The School provided a number of families with laptops and a Wi-Fi connection to access learning. These laptops comprised School-owned devices, devices that LPS was able to borrow from other DET School and devices provided by the DfE. LPS also worked closely with the Pilgrim's Hatch Community Partnership, which also donated a number of laptops. The School remained open during the lockdown for key worker and vulnerable children. Up to 25% of children were in School during this time. The School provided food parcels to families that were entitled to Free School Meals, before issuing food vouchers. LPS also benefitted from food donated by a local supermarket, which was passed on to some of the School's more vulnerable families.

Throughout the year, the School operated successfully under restrictions to control the spread of COVID, having enhanced cleaning, hygiene and ventilation. The start and end of the day was staggered to ensure that children and families could socially distance and children were kept in bubbles throughout the day. This meant that the School could operate as safely as possible whilst still providing an effective education.

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St. Martin's School

In spite of a year of lockdown, school closures and COVID isolations, SMS has continued its work to help pupils to develop academically, become responsible citizens and develop skills and attributes for the future. As soon as Government guidelines were relaxed, assemblies, group activities, shows and extra-curricular clubs all took place. Post-16 student leadership and SMS prefects continued their work with younger Year Groups, encouraging and mentoring.

Results in 2021 were awarded using TAGs, but the School awarded these with integrity and rigour. Once departments and faculties had run their internal moderation process, SLT analysed every grade for every pupil in Years 11 and 13 to ensure that there were no anomalies or abnormal patterns for pupils or subjects.

NQTs/ECTs

Nine out of the eleven NQTs, who began their induction at the beginning of the academic year 2020/21, successfully completed their induction year. Two NQTs did not meet the standard required and have been offered a term extension to successfully complete their NQT year. One will be leaving the School and one will be continuing. Six of this year's NQTs have been retained and the School will ensure that they are developed further in 2021/22, which is particularly important due to the disruption of COVID and the impact it had on their training. There are two ECTs at SMS for 2021/22. The School hosted six Post Graduate Certificate in Education (PGCE) placements and three Initial Teacher Training (ITT) placements in 2020/21.

Exam Results 2020/21

Key Stage (KS) 4 - GCSE

- For 2021, there were 288 pupils at the end of KS4. There was a significant number of pupils, predominantly boys, who were challenging with regards to their focus and drive to succeed in lessons. However, despite this, the Year Group made good progress.
- 90% of pupils achieved a grade 9-4 in english, which is a decrease of 2% on last year. 70% achieved a grade 5 or above, which is a decrease of 2% from last year.
- 91% of pupils achieved a grade 9-4 in maths, a decrease of 2% from the previous year. 64% achieved a grade 5 or higher, which is a decrease of 7% from last year.
- 87% of pupils achieved a grade 9-4 in both english and maths, compared to 88% last year. 59% achieved a grade 5 in both, which was 5% lower than in 2020.
- 72% of our 29 PP pupils achieved a grade 9-4 in both english and maths, this is a 4% increase from last year. 31% achieved 5 and above in both, which is a 2% increase from last year.
- The gap between PP students and non-PP students for 9-4 in english and maths is 16%. This has decreased from 23% last year.
- Using the 2019 DfE A8 estimates, the estimated P8 for SMS in 2021 would have been +0.17, up from +0.09 in 2020 and would have placed the School in the "average" category. P8 for English is +0.36 and for maths is +0.24.

Key Stage 5 – Post-16

- The percentage of A* - A grades has risen to 42%. The average point score per entry increased to 40.31 from 39.26 in 2020.
- 45 students took a BTEC qualification. The average BTEC points per A-Level equivalent entry is 35.38 compared to 26.08 in 2020.
- The majority of subjects are in the top 25% of departments in the UK according to ALPS.
- 11 departments are "Black" and are in the middle 50% of departments according to ALPS.
- As a cohort, SMS achieved ALPS 2, which puts the School in the top 10% of sixth form providers in the UK.
- 82% of pupils succeeded in obtaining a place at their first choice university and 30% went to Russell Group universities.

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The School took part in the National Tutoring Programme with 90 Year 10 pupils having 15 hours of contact time (English and maths) in groups of one to three, led by Pearson.

The School organised a Summer School for one week, which was very successful and helped Year 6 pupils familiarise themselves with the School and their peers. 180 pupils studied a variety of subjects including English, maths, science and PE and participated in activities to help them get used to the School environment.

January to March

As per Government guidance, the School was closed to all but key worker, looked after and vulnerable pupils. Attendance depended on parental/carer need, as some parents/carers were only at work for part of the week, meaning that pupils would only come in as and when the need arose.

Staff attended on a rota, as with the previous lockdowns, providing lessons either in line with their specialism, for example PE, or they supervised remote lessons that were facilitated by staff from home to all pupils. Pupils, who needed a laptop, were provided with one through the Government scheme (over one hundred were supplied to pupils). No pupil was left without a laptop and, in addition, all pupils, who needed access to the internet, were given free connection via Government dongles or BT Wi-Fi codes.

Teachers delivered 75% of 'live' lessons on Microsoft Teams'. The other 25% of lessons were delivered through independent learning tasks posted in the School's self-isolation folders on the School website.

Pupils were able to access all live and pre-recorded lessons using Microsoft Teams. All pupils received training on this during the Autumn Term 2020. Parents/carers were also sent a 'how to' guide.

Pupils, eligible for Free School Meal (FSM) vouchers, were contacted and received their allowance. Pastoral Teams, including our Social and Emotional Aspects of Learning (SEAL) Coordinator, saw over one hundred families, both in School and over Zoom, to support with anxiety and mental health issues. Four videos that were created in the previous lockdown were available on the website for parents/carers and pupils to access to aid with COVID, anxiety, bereavement and transition. Targeted pupils were contacted by the Pastoral Teams each week to check on wellbeing.

Key Performance Indicators (KPI)

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.
- 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 monthly management accounts, balance sheet and cash flow analysis on a monthly basis.
- Surplus as a percentage of Funding/Income.

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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.

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.

In making this statement, the TB has taken due account of the effects on the Trust of the COVID pandemic and the partial closure of the Schools during the period.

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.

Financial Review

DET's principal source of funding is the GAG funding that it receives from ESFA. For the period ended 31 August 2021, DET received £19,995,115 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 £18,970,536 (excluding depreciation and pension adjustments), and transferred £328,957 to support capital, new build and improvement projects.

DET brought forward from 2019/20, £650,932 restricted funding and £829,740 unrestricted funding. The carry forward for 2020/21 is £774,108 restricted funding and £999,593 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard (FRS) 102, DET is recognising a significant pension fund deficit of £9,227,000 (2020 - £8,169,000). 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.

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A summary of the Trust's funds in the year can be seen below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	19,311,149	281,373	402,593	-	19,995,115
Resources Expended	(18,859,016)	(111,520)	-	-	(18,970,536)
LGPS Charge	-	-	-	(1,612,000)	(1,612,000)
Depreciation	-	-	(1,819,485)	-	(1,819,485)
Employer contributions paid	-	-	-	687,000	687,000
Total Resources Expended	(18,859,016)	(111,520)	(1,819,485)	(925,000)	(21,715,021)
Assets Purchased from GAG	(328,957)	-	328,957	-	-
Actuarial Gains	-	-	-	(133,000)	(133,000)
Surplus / (Deficit) for the year	123,176	169,853	(1,087,935)	(1,058,000)	(1,852,906)
Balance at 1 September 2020	650,932	829,740	43,414,173	(8,169,000)	36,725,845
Balance at 31 August 2021	774,108	999,593	42,326,238	(9,227,000)	34,872,939

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 Head of Finance. 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 £999,593 (2020 – £829,740). 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 2021 was £1,773,701 (2020 - £1,480,672).

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

DET's cash balance has been very healthy all year, ending the year with a balance of £2,191,106 (2020 - £2,128,624). 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 £996,000 for DET and its Schools. Further reserves are maintained due to the anticipated reduction in funding in future years.

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. The policy aims to invest cash such that its cash balances and liquid investments, at least, equal the figure outlined in the Reserves Policy.

Principal Risks and Uncertainty

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 (ARC). 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;
- Fraud and mismanagement of funds – DET has appointed an Internal Auditor to carry out checks on financial systems and records as required by the AFH. 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 2021

DET has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness. A newly appointed Trust Coordinator is responsible for Risk Management across DET and, at least, termly engagement takes place with HTs and nominated staff to ensure that the Risk Register is an accurate and complete record of both strategic and operational risks across DET and its Schools.

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021 – UK:	
Total energy consumption (kWh)	5,141,945
Energy consumption break down (kWh)	
• gas,	3,642,438
• electricity,	1,494,895
• transport fuel - owned transport	5,707
• transport fuel - employee vehicles	2,162
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	667
Owned transport – mini-buses	0.54
Total scope 1	667.54
Scope 2 emissions in metric tonnes CO2e	
Electricity	317
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	0.28
Total gross emissions in metric tonnes CO2e	984.82
Intensity ratio	
Number of pupils	3,208
Tonnes CO2e per pupil	0.31

Quantification and Reporting Methodology

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

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

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:

- Increased 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.
- Installation of smart meters across all School sites.
- CHS – LED lights and PIR motion sensors throughout School has reduced the need for lighting to be left on out of hours (due to security concerns).
- All lighting replacements undertaken are to LED panels, which are best practice as they are more efficient and utilise less energy.
- Previous (SMS) and current (CHS) Condition Improvement Fund (CIF) bids for new gas boilers mean that replacements are modern, energy efficient models.

Plans for Future Periods

Despite 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 will 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 will have differing curriculum requirements and that a greater diversity of learning environments will be 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 submitted for 2021/22:

CHS - boiler replacement (£331,855) and pipework replacement (£335,834);
SMS - the portacabin replacement (£937,117) and fire alarm and emergency lighting upgrade (£277,501);
LPS - roof replacement (£69,179).

The pipework replacement bid for CHS was the only successful bid. The outcome of appeals for the unsuccessful bids are still awaited.

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 1,430 over the next five years. CHS is currently in the second year of the expansion and will reach full capacity in 2024/25.

In the academic year 2020/21, four new Trustees were appointed, although three Trustees also resigned.

Recruitment continues, with several appointments due to be formalised in the Autumn term 2021. As at the end of the 2020/21 academic year, DET had eight Trustees. The intention is to increase this number to, at least, ten.

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
EHT Performance Management Committee
HT Performance Management Committee

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

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 and Disadvantaged and SEND was also formalised.

An external review of governance was completed by Havering Governor Services and was presented to the TB in December 2020.

Additionally, in the academic year 2020/21, the SLTs across all three Schools were reviewed with regards constitution and remuneration. CHS now has one HT, two Deputy Headteachers (DHT) and three Assistant Headteachers (AHT) (previously one HT, and three DHTs). The SLT salaries have been reviewed and, although protected at current levels until January 2024, the review will result in a net saving of in excess of £150k to DET from that date.

The Central Services team has also been extensively reviewed during the last academic year. With TB approval the following roles were recruited for and filled in readiness for the new academic year:

- Trust Coordinator (0.6 FTE)
- Trust Development Lead – Quality of Education
- Trust Development Lead – Personal Development, Behaviour & Attitudes

It was also agreed that personnel, who had previously been split between Central Services and individual Schools would transfer 100% to Central Services for the start of the next academic year:

- Head of Trust IT
- Trust Estate Manager
- Financial Controller

The new appointments and above changes together with the EHT and Head of Finance roles, which were already part of the Central Services team, 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.

Fundraising

The ability of DET and its Schools to hold fundraising events over the course of the 2020/21 academic year was severely impacted by the COVID pandemic. DET does not work with professional fundraisers or companies, who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of the fundraising events that were held.

**DISCOVERY EDUCATIONAL TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 their 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 Trust Board, as the company directors, on 9 December 2021 and signed on its behalf by:

Mrs H Witty
Chair

DISCOVERY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge that 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 to eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in Department for Education's (DfE) Governance Handbook and competency framework for governance.

The Trust Board (TB) has delegated the day-to-day responsibility to the Executive Headteacher (EHT), 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 12 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr C Hearn	11	12
Mr C Holme	11	12
Mr S Palmer	9	12
Mr R Duff	12	12
Mrs T Nash	9	12
Mrs H Witty, Chair	12	12
Mrs K Wild-Smith, Chair of Trustees	12	12
Mrs K Tucker	12	12
Ms K Evans	1	12
Ms L Stafford-Scott	1	12
Mrs J Atkinson	5	12
Mr D Cowen	0	0
Mr W Myhill	0	0

Review of year:

Members – there have been no changes to DET's Members throughout the year ended 31 August 2021.

Trustees – the following appointments were made during the year:

- Mrs. Jan Atkinson
- Ms. Karen Evans
- Ms. Lindsey Stafford-Scott
- Mrs. Karen Tucker
-

The following resignations occurred during the year:

- Mrs. Jan Atkinson
- Miss Trudy Nash
- Mr. Stuart Palmer

As at 31 August 2021, the TB comprised of eight Trustees.

DISCOVERY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During 2020/21, the TB dealt with the following key challenges:

- High cost of Senior Leadership Teams (SLT)
- COVID lockdown from January to March
- Staggered reopening and COVID on site testing
- Drop in Year 7 intake numbers at St. Martin's School
- School improvement at Chase High School
- Low percentage of EBacc pupils at Chase High School and St. Martin's School
- Recruitment of Trustees continues to be a challenge

During 2020/21, the TB dealt with the following key opportunities:

- Management Fee increased to strengthen Central Services Team
- Appointment of new Headteacher at Chase High School
- New SLT roles at Chase High School posted and filled
- Extensive internal review of Governance resulting in robust suite of Governance documentation
- Appointment of Link Trustees to cover key areas of Safeguarding, Disadvantaged & SEND as well as Local Schools Coordinator
- Vision, Values and Strategic Plan (2020 – 25) finalised and approved
- Formalisation of new Governance Structure including Board Committees and Local School Committees with detailed Terms of Reference for each.

Governance reviews:

Havering Governor Services completed a review of Governance at the start of the academic year, the findings of which were presented to the TB on 3 December 2020.

Actions and plans to address recommendations are reviewed on an ongoing basis.

Committees

The Finance and Resources Committee (FRC), a committee of the TB, was formed in Q1 2021 and held its inaugural meeting on 16 March 2021. Its purpose is to:

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 was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Atkinson	1	2
Mr C Hearn	2	2
Mr C Holme	1	2
Mrs K Wild-Smith	2	2
Ms H Witty	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit and Risk Committee (ARC), a committee of the TB, was formed in Q4 2020 and held its inaugural meeting on 11 November 2020.

The role of ARC is one of oversight:

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Holme	3	3
Miss T Nash	2	3
Mr S Palmer	1	3
Mrs K Tucker	3	3

Review of Value for Money

As Accounting Officer, the Executive Headteacher 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 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 - e.g. SCR Tracker software, GDPR pen testing.
- Central Services Team – efficiencies, e.g. policies developed centrally and distributed across Trust.
- Re-alignment of energy contracts to facilitate future DET-wide purchase of gas and electricity, plus energy saving initiatives, e.g. LED lighting at CHS.

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 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

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 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by ARC and the TB.

The Risk and Control Framework

The 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.

Internal Scrutiny/Audit

The Trust Board has decided to employ School Business Services as Internal Auditor for the period 1 September 2020 to 31 August 2021.

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

- Financial procedures and financial competencies.
- Payroll.
- Data Protection and Data Security.

On a termly basis, the Internal Auditor reports to the TB, 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 has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

As Accounting Officer, the Executive Headteacher 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 Auditors;
- the school resource management self-assessment tool (SRMSAT);
- the work of the executive managers within the DET who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the TB 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 9 December 2021 and signed on their behalf by:

Mrs H Witty
Chair

Mr R Duff
Accounting Officer

DISCOVERY EDUCATIONAL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Discovery Educational Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, 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 Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees 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 Academies Financial Handbook 2020.

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

Mr R Duff
Accounting Officer

Date: 20 December 2021

DISCOVERY EDUCATIONAL TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Trust Board on 9 December 2021 and signed on its behalf by:

Mrs H Witty
Chair

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the 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 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
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**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 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 Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 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 gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trust Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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 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 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

1 Dane Street

Hertfordshire

CM23 3BT

21 December 2021

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

In accordance with the terms of our engagement letter dated 12 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Discovery Educational Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to 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 Brentwood Academies 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 Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP

Date: 21 December 2021

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	11,039	41,755	402,593	455,387	368,507
Charitable activities	4	81,515	19,256,570	-	19,338,085	17,611,742
Other trading activities	5	188,499	12,824	-	201,323	269,719
Investments	6	320	-	-	320	1,479
Total income		281,373	19,311,149	402,593	19,995,115	18,251,447
Expenditure on:						
Charitable activities	7	111,520	19,784,016	1,819,485	21,715,021	20,475,661
Total expenditure		111,520	19,784,016	1,819,485	21,715,021	20,475,661
Net (expenditure)/ income		169,853	(472,867)	(1,416,892)	(1,719,906)	(2,224,214)
Transfers between funds	18	-	(328,957)	328,957	-	-
Net movement in funds before other recognised gains/(losses)		169,853	(801,824)	(1,087,935)	(1,719,906)	(2,224,214)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(133,000)	-	(133,000)	(335,000)
Net movement in funds		169,853	(934,824)	(1,087,935)	(1,852,906)	(2,559,214)
Reconciliation of funds:						
Total funds brought forward		829,740	(7,518,068)	43,414,173	36,725,845	39,285,059
Net movement in funds		169,853	(934,824)	(1,087,935)	(1,852,906)	(2,559,214)
Total funds carried forward		999,593	(8,452,892)	42,326,238	34,872,939	36,725,845

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

The notes on pages 34 to 59 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST
REGISTERED NUMBER: 07638800
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	41,996,975	43,286,053
Current assets			
Debtors	15	850,639	1,056,885
Cash at bank and in hand		2,191,106	2,128,624
		3,041,745	3,185,509
Creditors: due within one year	16	(930,125)	(1,565,588)
Net current assets		2,111,620	1,619,921
Total assets less current liabilities		44,108,595	44,905,974
Creditors: due after more than one year	17	(8,656)	(11,129)
Net assets excluding pension liability		44,099,939	44,894,845
Defined benefit pension scheme liability	26	(9,227,000)	(8,169,000)
Total net assets		34,872,939	36,725,845
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	42,326,238	43,414,173
Restricted income funds	18	774,108	650,932
		43,100,346	44,065,105
Restricted funds excluding pension liability			
Pension reserve	18	(9,227,000)	(8,169,000)
Total restricted funds		33,873,346	35,896,105
Unrestricted income funds	18	999,593	829,740
Total funds		34,872,939	36,725,845

The financial statements on pages 31 to 59 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:

Mrs H Witty
Chair of Trustees

The notes on pages 34 to 59 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	192,449	(474,998)
Cash flows from investing activities	22	(127,494)	(189,191)
Cash flows from financing activities	21	(2,473)	(2,473)
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the year		62,482	(666,662)
Cash and cash equivalents at the beginning of the year		2,128,624	2,795,286
Cash and cash equivalents at the end of the year	23, 24	<u><u>2,191,106</u></u>	<u><u>2,128,624</u></u>

The notes on pages 34 to 59 from part of these financial statements

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

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

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

The Trust's functional and presentational currency is Pounds Sterling.

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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.3 Income

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

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

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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

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

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the 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 Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The 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 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.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold 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 Debtors

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

1.9 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.

1.10 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 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.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

Retirement benefits to employees of the 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 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 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.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	11,039	41,755	-	52,794	276,391
Capital grants	-	-	402,593	402,593	92,116
Total 2021	<u>11,039</u>	<u>41,755</u>	<u>402,593</u>	<u>455,387</u>	<u>368,507</u>
Total 2020	<u>29,946</u>	<u>246,445</u>	<u>92,116</u>	<u>368,507</u>	

In 2020, income from donations was £276,391 of which £29,946 was unrestricted and £246,445 was restricted.

In 2020, income from capital grants was £92,116 all of which was restricted fixed assets.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's provision of education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	16,747,744	16,747,744	15,592,708
Other DfE/ESFA grants				
Other DfE / ESFA grants	-	46,913	46,913	20,510
Rates relief	-	92,273	92,273	93,850
Teachers pension grant	-	639,404	639,404	612,361
Teachers pay grant	-	220,370	220,370	223,608
Pupil premium	-	723,684	723,684	745,035
Free school meals	-	129,882	129,882	89,742
Summer school funding	-	61,339	61,339	-
	-	-	18,661,609	17,377,814
Other Government grants				
Local Authority grants	-	318,238	318,238	170,969
	-	318,238	318,238	170,969
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	211,753	211,753	-
Other COVID-19 funding	-	64,970	64,970	17,960
	-	276,723	276,723	17,960
Other funding				
Catering income	81,515	-	81,515	44,999
	81,515	-	81,515	44,999
Total 2021	81,515	19,256,570	19,338,085	17,611,742
Total 2020	44,999	17,566,743	17,611,742	

In 2020, income from DfE/ESFA grants was £17,377,814, all of which was restricted.

In 2020, income from other Government grants was £170,969, all of which was restricted.

In 2020, income from other funding was £44,999, all of which was unrestricted.

The Trust received £211,753 of funding for catch-up premium and costs incurred in respect of this funding totalled £184,485, with the remaining £27,268 to be spent in 2021/22.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's provision of education (continued)

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	40,989	-	40,989	87,652
Rental income	36,887	-	36,887	38,803
Other income	110,623	12,824	123,447	143,264
Total 2021	<u>188,499</u>	<u>12,824</u>	<u>201,323</u>	<u>269,719</u>
Total 2020	<u>264,343</u>	<u>5,376</u>	<u>269,719</u>	

In 2020, income from hire of facilities was £87,652, all of which was unrestricted.

in 2020, rental income was £38,803, all of which was unrestricted.

in 2020, other income was £143,264, of which £137,888 was unrestricted and £5,376 was restricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	320	320	1,479
Total 2020	<u>1,479</u>	<u>1,479</u>	

In 2020, investment income was £1,479, all of which was unrestricted.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	12,913,105	-	918,842	13,831,947	13,588,861
Support costs	4,090,693	2,647,237	1,145,144	7,883,074	6,886,800
Total 2021	<u><u>17,003,798</u></u>	<u><u>2,647,237</u></u>	<u><u>2,063,986</u></u>	<u><u>21,715,021</u></u>	<u><u>20,475,661</u></u>
Total 2020	<u><u>15,777,492</u></u>	<u><u>2,794,941</u></u>	<u><u>1,903,228</u></u>	<u><u>20,475,661</u></u>	

In 2020 of the total expenditure £595,863 (2019 - £1,071,035) was from unrestricted funds, £18,285,112 (2019 - £17,051,526) was from restricted funds and £1,594,686 (2019 - £1,593,853) was from restricted fixed asset funds.

In 2020, direct costs consisted of £12,624,014 staff costs and £964,847 other costs. Support costs consisted of £3,153,478 staff costs, £2,794,941 premises costs and £938,381 other costs.

8. Charitable Activities

	2021 £	2020 £
Direct costs	13,831,947	13,588,861
Support costs	7,883,074	6,886,800
	<u><u>21,715,021</u></u>	<u><u>20,475,661</u></u>

Analysis of support costs

	2021 £	2020 £
Support staff costs	4,090,693	3,153,478
Depreciation	1,819,485	1,592,236
Technology costs	237,003	232,483
Premises costs (excluding depreciation)	827,752	1,224,118
Other support costs	820,124	790,700
Governance costs	41,847	30,473
Legal costs	46,170	43,475
	<u><u>7,883,074</u></u>	<u><u>7,066,963</u></u>

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	29,446	30,982
Depreciation of tangible fixed assets	1,819,485	1,592,237
Fees paid to Auditors for:		
- audit	12,880	12,500
- other services	6,450	6,265
	12,936	11,952

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	12,165,498	11,479,393
Social security costs	1,245,278	1,205,993
Pension costs	3,490,356	2,934,877
	16,901,132	15,620,263
Agency staff costs	67,066	113,480
Staff restructuring costs	35,600	43,749
	17,003,798	15,777,492

Staff restructuring costs comprise:

	2021	2020
	£	£
Severance payments	35,600	43,749
	35,600	43,749

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

Included in staff restructuring costs are non-statutory severance payments totalling £30,000 (2020 - £26,916). Individually, the payments were: £30,000 and £5,600.

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10. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teaching	229	227
Administration and support	232	196
Management	6	5
	467	428
	467	428

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	3
In the band £90,001 - £100,000	6	4
In the band £100,001 - £110,000	2	-
In the band £140,001 - £150,000	-	2
	6	15
	6	15

e. Key management personnel

The key management personnel of the 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 Trust was £620,923 (2020 - £664,543).

Employer national insurance contributions included within key management personnel remuneration was £56,791 (2020 - £62,534)

Employer pension contributions included with key management personnel remuneration was £108,559 (2020 - £110,436).

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11. Central services

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

- Financial services and support.
- Payroll services and support.
- Premises consultancy service and Health & Safety consultancy service.
- Curriculum, teaching and learning, School improvement and behaviour consultancy services.

The Trust charges for these services on the following basis:

3% of GAG income

The actual amounts charged during the year were as follows:

	2021 £	2020 £
St Martin's School	274,443	185,663
Larchwood Primary School	42,815	28,639
Chase High School	184,184	129,594
Total	501,442	343,896

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Ryan Duff	Remuneration	105,000 - 110,000	90,000 - 95,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000

During the year ended 31 August 2021, no expenses were reimbursed to Trustees (2020 - £169 to 3 Trustees).

13. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Local Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees, Local Governors and Officers indemnity element from the overall cost of the RPA scheme membership.

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14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2020	43,268,964	8,151,148	828,861	1,370,008	53,618,981
Additions	220,924	-	177,082	132,401	530,407
Disposals	-	-	(45,260)	(470,682)	(515,942)
At 31 August 2021	<u>43,489,888</u>	<u>8,151,148</u>	<u>960,683</u>	<u>1,031,727</u>	<u>53,633,446</u>
Depreciation					
At 1 September 2020	7,886,122	1,228,816	381,174	836,816	10,332,928
Charge for the year	1,307,079	234,902	89,354	188,150	1,819,485
On disposals	-	-	(45,260)	(470,682)	(515,942)
At 31 August 2021	<u>9,193,201</u>	<u>1,463,718</u>	<u>425,268</u>	<u>554,284</u>	<u>11,636,471</u>
Net book value					
At 31 August 2021	<u><u>34,296,687</u></u>	<u><u>6,687,430</u></u>	<u><u>535,415</u></u>	<u><u>477,443</u></u>	<u><u>41,996,975</u></u>
At 31 August 2020	<u><u>35,382,842</u></u>	<u><u>6,922,332</u></u>	<u><u>447,687</u></u>	<u><u>533,192</u></u>	<u><u>43,286,053</u></u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	21,368	34,793
Other debtors	-	63,325
Prepayments and accrued income	797,221	811,186
VAT repayable	32,050	147,581
	<u>850,639</u>	<u>1,056,885</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	2,473	2,473
Trade creditors	107,334	179,097
Other taxation and social security	142,076	306,117
Other creditors	310,126	439,111
Accruals and deferred income	368,116	638,790
	<u>930,125</u>	<u>1,565,588</u>

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

	2021 £	2020 £
Deferred income at 1 September 2020	208,159	403,221
Resources deferred during the year	144,708	208,159
Amounts released from previous periods	(208,159)	(403,221)
	<u>144,708</u>	<u>208,159</u>

Resources deferred in the year relate to contributions towards future educational visits, rates payments and universal infant free school meals.

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

	2021 £	2020 £
Other loans	8,656	11,129
	<u>8,656</u>	<u>11,129</u>

Amounts falling 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 2021

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	829,740	281,373	(111,520)	-	-	999,593
Restricted general funds						
GAG	650,932	16,747,744	(16,322,879)	(328,957)	-	746,840
Other DfE / ESFA grants	-	2,190,588	(2,163,320)	-	-	27,268
Other Government grants	-	297,998	(297,998)	-	-	-
Teacher training income	-	20,240	(20,240)	-	-	-
Restricted donations	-	54,579	(54,579)	-	-	-
Pension reserve	(8,169,000)	-	(925,000)	-	(133,000)	(9,227,000)
	<u>(7,518,068)</u>	<u>19,311,149</u>	<u>(19,784,016)</u>	<u>(328,957)</u>	<u>(133,000)</u>	<u>(8,452,892)</u>
Restricted fixed asset funds						
CIF	-	335,834	-	(6,571)	-	329,263
Other Government capital grants	128,119	-	-	(128,119)	-	-
Restricted fixed assets	43,286,054	-	(1,819,485)	530,406	-	41,996,975
DFC	-	66,759	-	(66,759)	-	-
	<u>43,414,173</u>	<u>402,593</u>	<u>(1,819,485)</u>	<u>328,957</u>	<u>-</u>	<u>42,326,238</u>
Total Restricted funds	<u>35,896,105</u>	<u>19,713,742</u>	<u>(21,603,501)</u>	<u>-</u>	<u>(133,000)</u>	<u>33,873,346</u>
Total funds	<u><u>36,725,845</u></u>	<u><u>19,995,115</u></u>	<u><u>(21,715,021)</u></u>	<u><u>-</u></u>	<u><u>(133,000)</u></u>	<u><u>34,872,939</u></u>

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Other DfE/ESFA grants

This represents other restricted funding received from the Department for Education.

Other Government grants

This represents various grants received from Government bodies for the provision of specific services to pupils of the Trust.

Teacher training income

This represents grants received for the School-Centred Initial Teacher Training programme

Restricted donations

This represents contributions made by parents to the running of educational visits for the pupils of the Schools, the associated costs of running the trips and other income received which is restricted in nature.

Pension reserve

This fund represents the Trust's share of the deficit on the LGPS transferred on conversion from State Maintained Schools.

Restricted fixed asset fund

Restricted fixed assets funds are resources which are applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purposes.

The transfer in of £328,957 represents the costs of assets acquired in the year which have been funded mainly by capital grants as well as GAG income.

DFC/CIF

This represents CIF capital funding received from the ESFA for specific purposes along with Devolved Formula Capital (DFC) received from the ESFA to maintain and improve buildings and facilities.

Other Government capital grants

This represents capital funding received from other Government bodies for CHS expansion.

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds	1,084,836	340,767	(595,863)	-	-	829,740
Restricted general funds						
GAG	727,512	15,592,708	(15,512,256)	(157,032)	-	650,932
Other DfE / ESFA grants	-	1,785,106	(1,785,106)	-	-	-
Other Government grants	-	156,089	(156,089)	-	-	-
Teacher training income	-	14,880	(14,880)	-	-	-
Restricted donations	-	251,821	(251,821)	-	-	-
Exceptional Government funding	-	17,960	(17,960)	-	-	-
Pension reserve	(7,287,000)	-	(547,000)	-	(335,000)	(8,169,000)
	<u>(6,559,488)</u>	<u>17,818,564</u>	<u>(18,285,112)</u>	<u>(157,032)</u>	<u>(335,000)</u>	<u>(7,518,068)</u>
Restricted fixed asset funds						
DFC	-	92,116	-	(92,116)	-	-
Other Government capital grants	4,060,863	-	-	(3,932,744)	-	128,119
Restricted fixed assets	40,698,848	-	(1,594,686)	4,181,892	-	43,286,054
	<u>44,759,711</u>	<u>92,116</u>	<u>(1,594,686)</u>	<u>157,032</u>	<u>-</u>	<u>43,414,173</u>
Total Restricted funds	<u>38,200,223</u>	<u>17,910,680</u>	<u>(19,879,798)</u>	<u>-</u>	<u>(335,000)</u>	<u>35,896,105</u>
Total funds	<u><u>39,285,059</u></u>	<u><u>18,251,447</u></u>	<u><u>(20,475,661)</u></u>	<u><u>-</u></u>	<u><u>(335,000)</u></u>	<u><u>36,725,845</u></u>

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
St Martin's School	955,917	640,555
Larchwood Primary School	189,654	112,943
Chase High School	619,516	724,342
Discovery Educational Trust	8,614	2,832
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,773,701	1,480,672
Restricted fixed asset fund	42,326,238	43,414,173
Pension reserve	(9,227,000)	(8,169,000)
	<hr/>	<hr/>
Total	34,872,939	36,725,845
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
St Martin's	6,712,809	1,727,237	148,141	1,208,731	9,796,918	9,960,330
Larchwood	1,173,242	215,977	36,178	343,395	1,768,792	1,665,119
Chase High	4,711,833	1,215,091	280,639	1,202,868	7,410,431	6,921,504
DET	285,221	926,788	2,016	206,811	1,420,836	336,472
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	12,883,105	4,085,093	466,974	2,961,805	20,396,977	18,883,425
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DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	41,996,975	41,996,975
Current assets	999,593	1,712,889	329,263	3,041,745
Creditors due within one year	-	(930,125)	-	(930,125)
Creditors due in more than one year	-	(8,656)	-	(8,656)
Provisions for liabilities and charges	-	(9,227,000)	-	(9,227,000)
Total	999,593	(8,452,892)	42,326,238	34,872,939

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	43,286,053	43,286,053
Current assets	829,740	1,891,939	463,830	3,185,509
Creditors due within one year	-	(1,241,007)	(324,581)	(1,565,588)
Creditors due in more than one year	-	-	(11,129)	(11,129)
Provisions for liabilities and charges	-	(8,169,000)	-	(8,169,000)
Total	829,740	(7,518,068)	43,414,173	36,725,845

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

20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,719,906)	(2,224,214)
Adjustments for:		
Depreciation	1,819,485	1,592,237
Interest receivable	(320)	(1,479)
Defined benefit pension scheme cost	925,000	547,000
Decrease in debtors	206,246	3,388,805
Decrease in creditors	(635,463)	(252,405)
Capital grants from DfE and other capital income	(402,593)	(3,987,222)
Capital grants not yet received	-	463,830
Profit on disposal	-	(1,550)
Net cash provided by/(used in) operating activities	192,449	(474,998)

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(2,473)	(2,473)
Net cash used in financing activities	(2,473)	(2,473)

22. Cash flows from investing activities

	2021 £	2020 £
Interest received	320	1,479
Purchase of tangible fixed assets	(530,407)	(4,181,892)
Proceeds from the sale of tangible fixed assets	-	4,000
Capital funding received from ESFA and others	402,593	3,987,222
Net cash used in investing activities	(127,494)	(189,191)

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,191,106	2,128,624
	2,191,106	2,128,624

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,128,624	62,482	2,191,106
Debt due within 1 year	(2,473)	-	(2,473)
Debt due after 1 year	(11,129)	2,473	(8,656)
	2,115,022	64,955	2,179,977

25. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	329,263	128,119
	329,263	128,119

26. Pension commitments

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

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

Contributions amounting to £305,220 were payable to the schemes at 31 August 2021 (2020 - £292,971) and are included within creditors.

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £2,003,929 (2020 - £1,972,473).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £860,000 (2020 - £678,000), of which employer's contributions totalled £687,000 (2020 - £538,000) and employees' contributions totalled £173,000 (2020 - £140,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 per cent for employees.

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

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

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

	2021 Years	2020 Years
Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(420)	(341)
Discount rate -0.1%	430	349
Mortality assumption - 1 year increase	762	573
Mortality assumption - 1 year decrease	(732)	(552)
CPI rate +0.1%	395	320
CPI rate -0.1%	(386)	(313)

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	5,945,000	4,243,000
Gilts	234,000	293,000
Corporate bonds	432,000	383,000
Property	648,000	532,000
Cash and other liquid assets	259,000	186,000
Alternative assets	1,031,000	795,000
Other managed funds	739,000	415,000
Total market value of assets	<u>9,288,000</u>	<u>6,847,000</u>

The actual return on scheme assets was £1,669,000 (2020 - £149,000).

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

	2021 £	2020 £
Current service cost	1,365,000	950,000
Interest income	(116,000)	(106,000)
Interest cost	244,000	238,000
Administrative expenses	5,000	3,000
Net settlement cost	114,000	-
Total amount recognised in the Statement of Financial Activities	<u>1,612,000</u>	<u>1,085,000</u>

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

	2021 £	2020 £
At 1 September	15,016,000	12,661,000
Current service cost	1,365,000	950,000
Interest cost	244,000	238,000
Employee contributions	173,000	140,000
Actuarial losses	1,686,000	1,077,000
Benefits paid	(173,000)	(50,000)
Liabilities assumed on settlements	204,000	-
At 31 August	<u>18,515,000</u>	<u>15,016,000</u>

DISCOVERY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	6,847,000	5,374,000
Interest income	116,000	106,000
Actuarial gains	1,553,000	742,000
Employer contributions	687,000	538,000
Employee contributions	173,000	140,000
Benefits paid	(173,000)	(50,000)
Administrative expenses	(5,000)	(3,000)
Settlement prices received / (paid)	90,000	-
At 31 August	<u>9,288,000</u>	<u>6,847,000</u>

27. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	20,413	27,230
Later than 1 year and not later than 5 years	20,752	41,166
	<u>41,165</u>	<u>68,396</u>

28. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

DISCOVERY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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29. Related party transactions

Owing to the nature of the Trust and the composition of the Trust Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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