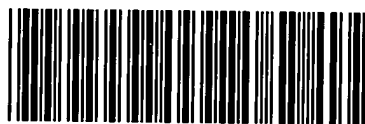


Company Registration Number: 08104111 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rob Woolston Celia Varley (resigned 8 July 2022) Carolyn Lewis (DLET Representative) Richard Bettsworth David Williams (appointed 9 July 2022)
Trustees	Jonathan Parsons (resigned 28 February 2022) Paul Stone, Trust Leader/Accounting Officer (resigned 16 May 2022) Gary Sims Edmund Green (resigned 28 February 2022) Margaret Spence David Williams (resigned 28 February 2022) Richard Bettsworth Shane Bray Mihir Trivedi Lucy Welsford (appointed 26 January 2022) Rajeev Tugnet Ruth Malkin (appointed 2 December 2021) Stephen Dixon-Mould (appointed 26 January 2022) Chris Bristow, Co-opted (appointed 18 November 2021)
Company registered number	08104111
Company name	Discovery Schools Academies Trust Ltd
Principal and registered office	Kibworth Church of England Primary School Hillcrest Avenue Kibworth Leicester LE8 0NH
Senior management team	Paul Stone, Trust Leader Chris Bruce, Deputy Trust Leader/Director of SEND Louise Barber, Acting Deputy Trust Leader/Director of Operations Emma Clarke, Finance Director David Briggs, Director of Primary
Independent auditor	Mazars LLP Chartered Accountants 6 Dominus Way Meridian Business Park Leicester LE19 1RP

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

Solicitors Browne Jacobson LLP
15th Floor
6 Bevis Marks
Bury Court
London
EC3A 7BA

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates a Multi-Academy Trust (MAT) of 15 schools for pupils aged 2 to 16 serving a catchment area in Leicester, Leicestershire and Rutland. It has a pupil capacity of 5224 and had a roll of 4728 in the school census in January 2022.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Discovery Schools Academies Trust Limited (Discovery) are also the directors of the charitable company for the purposes of company law. During the period, 13 individual Discovery primary schools and 2 Special Educational Need (SEN) schools operated under their own names:

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

Discovery also operated EPIC Psychology and Wellbeing Service (EPIC), Inspiring Leaders School Centred Initial Teacher Training (SCITT) and an extended service provision including holiday club, wrap around care and preschools during the year.

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

b. Members' liability

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

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

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

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

e. Policies and procedures adopted for the induction

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

f. Organisational structure

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

Board of Trustees

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

- Finance, Audit & Risk
- Primary Education Standards
- Special Educational Needs & Disabilities
- Human Resources

Trust Leadership Team

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

Advisory Boards

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

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

Senior roles are benchmarked taking into consideration the following:

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

The Human Resources Committee through performance management, review the pay and remuneration of the Trust Leader with external independent advice. Individual Headteacher pay progression is automatic in line with the Trust Pay Policy.

With the introduction of the new Appraisal Policy, there continues to be a robust focus on professional growth and performance improvement. Appraisal procedures now fully align to the whole trust Pay Policy which incorporates all employees (Teaching and Support staff). Careful monitoring of the Appraisal structure moving forward will ensure consistency of approach and expectation and will identify areas for policy development and training. An annual appraisal effectiveness report is produced and shared with the HR Committee annually.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	0.99

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	25,011,966
Percentage of total pay bill spent on facility time	0 %
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0 %

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons) (Section 172 Statement)

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

Discovery strives to engage and consult with all staff at every opportunity. Engagement methods includes staff handbooks, staff intranet, Teams, dedicated network groups and staff surveys regarding individual welfare and trust strategy.

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

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

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

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

j. Engagement with suppliers, customers and others in a business relationship with a trust (Section 172 Statement)

The trust actively encourage engagement using a variety of tools such as websites, email, audits, policies, face to face consultation, formal tenders, Teams, social media and published statutory reporting. The Trust complete the Payment Practices and Performance reporting requirement twice a year to provide valuable information to potential suppliers regarding payment terms.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Our Mission:

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

Our Vision:

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

Our Values:

- Inclusion
- Sustainable
- Partnership
- Integrity
- Respect
- Excellence

Our Pledges:

Discovery is an active contributor to the education system through the sharing of our innovative practice and contribution to the school led system. Discovery commits to supporting the following stakeholders:

Pupils:

- Provide great places to learn
- Provide an enriching curriculum
- Provide brilliant Teaching and Learning
- Have high expectations for all pupils
- Provide compassion support

Parents:

- Provide effective communication at all levels
- Provide a voice for parents within their school
- Provide parenting support
- Provide opportunities for parents to participate with governance
- Provide a wide range of ways to celebrate children's success

Colleagues:

- Ensure schools are connected
- Ensure that colleagues feel valued
- Provide great leadership
- Provide endless career opportunities
- Provide high quality professional development

Our Schools:

- Provide effective school improvement
- Exploit economies of scale to maximise budgets
- Provide a support team to help leaders focus on core tasks
- Support leaders with strategic developments
- Provide support during a crisis

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Education system:

- Lead and be involved with Teacher Training
- Provide and share leadership development
- Share policy and systems
- Provide school to school support
- Develop and lead pioneering networks in the system

a. Objectives, strategies and activities

Discovery has a strategic plan in place for 2020-2023 which outlines the following strategic goals:

1. To facilitate a culture of continuous school improvement in all centres that is focused on the needs of the pupils and the demonstration of excellence for all.
2. To provide highly effective central services allowing school leaders and staff to focus on their core task of supporting children towards realising their potential.
3. To maintain a highly effective partnership which schools will find supportive, and others will want to be part of.
4. To build a sustainable organisation that contributes to the educational system.
5. To establish systems and processes that remove the barriers to learning and provide equitable life chances for all.

Each year the strategic goals are given a clear annual focus with key planned activities. 21/22's focus includes:

- Excellence for all – Provide cover and structure to release teachers to develop their practice through coaching focused on improving outcomes for disadvantaged children.
- Effective Central Services – Ensure all services are able to meet the new structure of a SEND cluster and the developing primary school needs. Share expertise and talent between clusters to raise outcomes for children.
- Effective Partnerships – Identify key areas of focus for SEND cluster integration, development and growth.
- Build a sustainable organisation – Develop succession planning and career paths for talent within the Trust.
- Remove barriers to learning – Ensure Discovery has a clear Recovery Strategy for all children with a particular focus on disadvantaged child and a Digital Learning strategy to maximise opportunities.

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

b. Public benefit

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The Trust focused on five key areas during the year and have made substantial progress in their achievement:

Excellence for all – Provide cover and structure to release teachers to develop their practice through coaching focused on improving outcomes for disadvantaged children.

Discovery have implemented a structure to allow teachers to have additional time to develop their skills and knowledge which has in turn increased the quality of our teaching and learning. As a result, the following has been achieved:

- An additional 9% of our disadvantaged pupils achieving the expected standard in reading, writing & maths compared with prior year.
- A 4% reduction in the gap between disadvantaged & non disadvantaged pupils achieving the expected standard in reading, writing & maths compared with prior year. This has resulted in the Trust gap between our disadvantaged pupils and all pupils now being less than the national average.
- Exceeding the national average for our disadvantaged pupils in achieving the expected standard for reading.
- The implementation of a new teaching improvement platform that aims to improve teaching for better pupil outcomes.
- Development of a new school improvement structure and framework to be implemented during 22/23.
- Development of an aligned primary curriculum to be in place for 22/23.
- The development of a coaching culture with most teachers having a dedicated coach to support the development of their practice.

Effective Central Services – Ensure all services are able to meet the new structure of a SEND cluster and the developing primary school needs. Share expertise and talent between clusters to raise outcomes for children.

The SEND cluster is now an integral part of Discovery with key achievements including:

- Review & remodelling of the trust-wide ICT team.
- Development of new trust-wide roles to support both SEND & primary schools.
- Development of the SEND Committee.
- Procurement of a HR admin & payroll bureau service for implementation in 22/23.
- Collaborative working with the Local Authorities to assess SEND funding and reserves.

Effective Partnerships – Identify key areas of focus for SEND cluster integration, development and growth.

Both Millgate and Keyham Lodge have integrated well within the trust and provided valuable support to our Primaries in relation to our pupils individualised needs. Key achievements include:

- Providing expert guidance and support towards the development of our SEN provision at Captains Close.
- Achieving an Ofsted rating of 'Outstanding' for the residential provision at Millgate.
- Recruitment of a trust-wide Head of Safeguarding.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Build a sustainable organisation – Develop succession planning and career paths for talent within the Trust.

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

- Delivery of an aspirant Headteacher programme which has resulted in newly promoted Executive Headteacher role from within the Trust.
- Delivery of an aspirant Senior Leaders programme which has resulted in newly promoted headteacher roles from within the Trust.
- Completion of a succession planning review.
- Development of a trust-wide 3-5 year growth staff structure to guide strategy, resources and decision making.
- Implementation of a trust-wide new appraisal policy for both teaching and support staff.

Remove barriers to learning – Ensure Discovery has a clear Recovery Strategy for all children with a particular focus on disadvantaged child and a Digital Learning strategy to maximise opportunities.

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

- Recruitment of key intervention roles across schools to support our pupil's development post CV-19.
- Focused use of CV-19 related grants such as COVID Recovery grant & School Tutor Led grant.
- Development of a trust-wide digital develop strategy.
- 5 of our primary schools having been awarded Microsoft showcase status with the remaining 7 primary schools recognised as Microsoft Incubator schools.
- Engagement of over 100 of our most disadvantaged pupils in our ICT Olympiad challenge.

a. Key performance indicators

The following key performance indicators have been developed in relation to above:

Primary:

Primary Education Key Performance Indicators 2021/2022																	
KPI	Measure	National Benchmarks	% of schools above benchmark	Trust %	Redlands	Captains	Wooden Hill	Mowmacre	Danemill	Braunstone	Parkland	Merrydale	Fossebrook	Kibworth	Farnon	Leighfield	Greystake
Ofsted Grade	Good or better	>85%	100%	100%	Good	Good	Good	Good	Good	Good	Good	Good	Good	Outstanding	Good	Good	Good
KS2 RWM combined	Above 2022 National	59%	46%	58%	52%	41%	69%	60%	66%	45%	51%	49%	41%	80%	50%	83%	65%
Disadvantage KS2 RWM	Above 2022 National	43%	62%	100%	27%	20%	43%	55%	50%	38%	43%	32%	75%	53%	57%	100%	33%
Multiplication Table Check	% passing the check (% achieving 20+)	85%	85%	100%	85%	75%	85%	59%	81%	95%	86%	76%	76%	98%	73%	89%	89%
Phonics (Y1)	Above 2022 National	75%	92%	100%	79%	86%	81%	66%	76%	85%	75%	N/A	86%	98%	83%	95%	75%
KS1 (Y2) RWM combined	Above 2022 National	53%	58%	50%	59%	44%	47%	50%	66%	54%	52%	N/A	38%	79%	60%	57%	65%
Attendance rate	Above 2022 National	94%	92%	95%	94%	95%	94%	94%	94%	94%	94%	94%	94%	94%	95%	90%	94%
Persistent Absence rate	Below 2022 National	15%	23%	18%	18%	18%	19%	19%	25%	18%	16%	19%	16%	13%	12%	14%	16%

Notes:

RWM - Reading, Writing, Maths

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

SEND:

Subject	School	GCSE Exam Results											
		1	2	3	4	5	6	7	8	9	U	X	
Maths	Keyham	2	6	9	4	3	1						
	Millgate		9	4	2	1					3	3	
English Lang	Keyham		2	6	8	3	2				1		
	Millgate	1	3	12	3	1					1	1	
English Lit	Keyham	2	2	2	5						1		
	Millgate		2	1			1						
Art & Design	Keyham								1	2			
	Millgate				1		1	1		2			
Design & Technology	Keyham			1				1					
	Millgate		1		1								
Computer Science	Keyham						1						
	Millgate	2	1								2		
Biology	Keyham		2	7	2								
	Millgate	2		1								1	
Chemistry	Millgate		2		1								
Physics	Millgate	2	4	6	1	1					1	1	
Geography	Millgate	1	1	1		1							
History	Millgate	1	2										
Triology Double Award	Keyham	22		32		43		44		54		55	
			1		1		1		1		1	1	

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Subject	School	BTEC Exam Results						
		L1P	L1D	L2P	L2M	L2D	L2D*	U
Catering	Keyham	3		3				
	Millgate			1	1	1		
Creative Digital Media	Keyham			6				
	Millgate		1					
Music	Keyham	3						
	Millgate	4						
Sport	Keyham	1		5	1	1	1	1
	Millgate	1		11				
ABC Environment	Keyham	1						
Beauty	Keyham		2					
Construction	Keyham	7						
Enterprise	Keyham			1		1		
Sport Science	Keyham			1	1			
Home Cooking Skills	Millgate	1						
Performing Arts	Millgate		3					

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Subject	School	Other Exam Results									
		Functional Skills Level 1 (FS1)	Entry Level 1 (EL1)	Entry Level 2 (EL2)	Entry Level 3 (EL3)	LP2D*	L1PC	L1PM	L1PA	L1PD	X
Maths FS	Keyham	10									
	Millgate	4									
Maths EL	Keyham			2	9						
	Millgate				2						
Science Single Award	Keyham			2	12						
	Millgate				1						2
English FS	Keyham	9									
English EL	Keyham		1	1	11						
Enterprise	Keyham					1					
ABC Environment	Keyham						3				
Construction	Keyham						2	3			
Motor Vehicle Studies	Keyham						1		6		
Mechanics	Keyham						2				
Personal & Social Development Skills	Keyham									1	
Employability Skills	Keyham									1	

b. Going concern

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company (Section 172 Statement)

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

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

Financial review

Over 67.1% of the Trust's income is derived from central government grant to support its educational objectives, broadly based on pupil numbers attending individual academies within the Trust. The Trust has delivered a surplus during the year which included agreed investment of excess reserves in technology and to support the delivery of the strategic aims as detailed above.

The conversion of two SEND schools into the trust has had a positive effect in the short term financial outturn and reserves position. Discovery currently maintains reserves above the operational and strategic level as directed by the Reserves Policy.

The summary financial performance for 2021/2022 is as follows:

	£'000
Income	48,697
Expenditure	41,513
Surplus for year	7,184

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Reserves policy

The Trust have categorised reserves for two purposes:

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

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

Operational reserves are set as a 4% minimum percentage of total revenue income in addition to capital and restricted funds.

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

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

Strategic reserves are set as an additional 4% maximum percentage of total revenue income, in addition to capital and restricted funds.

The Trust and its' academies are required to:

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

The value of unrestricted and restricted general reserves held by the Trust are currently £4,152k, which is above the maximum reserves value. These additional reserves are predominantly earmarked for the development of the SEN Cluster and recovery from CV-19 through the recruitment of key roles to support school improvement and safeguarding.

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

At 31 August 2022 the total funds comprised:

Unrestricted		3,952,000
Restricted:	Fixed asset funds	45,716,000
	Pension reserve	(881,000)
	Other	200,000

		48,987,000
		=====

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

b. Investment policy

Discovery has an Investment Policy designed to:

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

The policy investment principles include:

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

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

c. Principal risks and uncertainties

The principal risks facing the Trust are:

- **Human Resources risk** – Recruitment & retention of staff across all roles is currently a challenge. Increased remuneration is planned in order to attract expertise into the sector.
- **Financial Sustainability risk** – The current economic climate has resulting in unexpected additional costs. Robust risk mitigation strategies are in place which are monitored by the Finance, Audit and Risk Committee and the Board.
- **Data risk** – Since SEND conversion, current Trust systems are not as effective as required. Investment in new systems is currently underway which will provide collective, instant and accurate data which in turn will increase efficiency and underpin data driven decision making.
- **Attainment and progress risk** – Year 6 reading, writing and maths and year 4 tables and phonics relating to disadvantaged pupils is a primary risk for the Trust which is predominantly due to the effects of COVID-19. The Trust have invested in developing Teacher Development Time (TDT) since Sept 21 which aims to invest in the quality of our teaching provision & support our pupils post CV-19 and will continue to use CV-19 related grants to provide additional 1:1 and small group tutoring and intervention support
- **Reputational risk** – This could be as a result of a GDPR breach. The Trust have invested in a dedicated role to ensure adequate systems and practice is in place to prevent such breaches occurring.

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

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

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

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

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

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	6,877,173	5,802,661
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	795.48	669.38
Owned transport – mini-buses	8.74	2.59
<u>Total scope 1</u>	804.22	671.97
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	487.18	456.10
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	34.29	6.41
<u>Total gross emissions in metric tonnes CO2e</u>	1,325.70	1,134.47
<u>Intensity ratio</u>		
TonnesCO2e per pupil	*0.28	0.26

**Includes data available for schools converted into Trust from 01/09/22.*

Qualification and Reporting Methodology

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

Intensity measurement

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting (continued)

Measures taken to improve energy efficiency

We have installed solar led smart meters across 80% of sites to improve our understanding of energy consumption.

We have analysed our energy data and identified focused areas of efficiency.

We have installed PV panels on the roof of the trusts academies with the aim of reducing energy consumption by over 20%.

We have reviewed and updated our heating controls strategy.

We have begun a LED replacement project to identify, priorities and replace lights in schools.

We have serviced, reviewed and adjusted all the setting on the ventilation and cooling and expect to reduce energy consumption.

We have maintained remote working to reduce staff travel and conduct meetings via Teams where appropriate.

We have begun an active campaign across the Trust to raise awareness for all electrical equipment to be turned off and not left on standby.

Plans for future periods

Based on the assessment of Trust performance during 21/22, the focus for the Trust during 22/23 will include:

Excellence for all

Create an intelligent accountability framework that uses Trust Quality Assurances processes for early identification of support & challenge

Effective Central Services

Develop the use of compliance software platforms to support leaders with high-quality data for decision-making.

Effective Partnerships

Develop wider professional Trust links for the growth and development of the Trust

Build a sustainable organisation

Improve the Trust school's efficiency of energy use and stakeholder awareness of their role within this process

Remove barriers to learning

Create a Trust Tutoring and Disadvantaged Catch-up strategy that ensures access to high-quality learning support and provide specialist learning opportunities.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 15, 2022 and signed on its behalf by:

Richard Bettsworth
Richard Bettsworth (Dec 15, 2022 09:56 GMT)

.....
Richard Bettsworth
Chair of Trustees

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Trust Leader as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Discovery and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

Both the annual self-assessment and independent external review has been consciously put on hold awaiting the new trust Head of Governance and is now planned to take place early 22/23. This will allow the new Head of Governance to objectively review and assess the governance structure and its effectiveness which will in turn will direct any future changes.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Richard Bettsworth (Chair)	6	6
Edmund Green	2	4
Gary Sims	5	6
Jonathan Parsons	3	5
Margaret Spence	5	6
Paul Stone (Trust Leader and Accounting Officer)	6	6
David Williams	4	4
Shane Bray	6	6
Mihir Trivedi	2	6
Lucy Welsford	2	3
Rajeev Tugnet	5	6
Ruth Malkin	3	4
Stephen Dixon-Mould	1	3
Chris Bristow, Co-opted	2	4

There was 1 member and 4 Trustee resignations during the year (including the requirement for the CEO/Accounting Officer to step down as a trustee). David Williams was appointed as a member in July 22, Chris Bristow was appointed as a co-opted trustee in November 2021 and Ruth Malkin, Stephen Dixon-Mould and Lucy Welsford was welcomed onto the trust board in December 2021 and January 2022. Gary Sims was re-appointed during the year.

There were no changes in respect of the Chair of the Board or Vice Chair of the Board.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board formally met six times during the year, all of which were planned meetings.

Effective oversight of funds is maintained through the year via:

- 6 Board meetings
- 5 Finance, Audit & Risk Committee meetings
- Monthly budget management reports which are sent to the Trust Leader and all Trustees

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

- Approval of the strategic goals
- Review of strategic development against plan & associated KPI's
- Approval of 2022-23 budget
- Focus & review of disadvantaged pupils' performance
- Future of Captains Close swimming pool
- Review of policies including Safeguarding and Child Protection, Admissions & Whistleblowing Policy
- Culture book
- SEND financial sustainability

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

The data and other information provided to the Board, Board Committees and local Advisory Boards has continued to be developed and will be further reviewed with the appointment of a new Head of Governance during 22/23.

Any possible conflicts of interest are identified and managed in line with the Trust Conflicts of Interest Policy. This requires the Trust to maintain a register of interests for all Members, Trustees, Advisory Board Members and senior employees with delegated expenditure limit. This information is used to ensure compliance with the Academies Handbook and prevent conflicts of interest arising such as withdrawal from associated meetings/discussions.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

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

- Monitoring of 3–5-year financial projections and associated reserves
- Scrutiny and approval of substantial trust wide contracts
- Strategic oversight and scrutiny of Trust risk register
- Review of SEND financial position & projections
- Recommendation of the statutory accounts
- Oversight and monitoring of the audit action plan and associated internal scrutiny audit
- Recommendation of the revised budget 2021/22 and proposed budget 2022/23
- Oversight and scrutiny of the capital programme, priorities & funding
- Review of business continuity systems and practice
- Danemill Pre-school expansion
- Investment in CPD opportunities

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gary Sims (Chair)	5	5
Shane Bray	4	5
Jonathan Parsons	2	2
Richard Bettsworth (invited)	1	1
Raj Tugnet	4	5
Paul Stone (Trust Leader and Accounting Officer)	5	5

The **Primary Education Standards Committee** is also a committee of the main board of trustees. The committee's focus is to maintain an oversight of the Trust's strategy for curriculum, quality assurance and the standards and performance of all schools within the Trust. The committee met three times during the year, the main areas of focus were:

- Regular oversight of safeguarding & wellbeing
- Review of risks and associated mitigation plans
- Impact of school improvement support and initiative
- Review and approval of policies
- Review outcomes and school improvement priorities
- Focus on disadvantaged pupil performance
- Curriculum strategy

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Richard Bettsworth	2	3
Margaret Spence (Chair)	3	3
David Williams	2	2
Ruth Malkin	2	2
Paul Stone (Trust Leader and Accounting Officer)	3	3

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The **SEND Committee** is a committee of the Trust Board. Its purpose is to maintain an oversight of the strategy for curriculum, quality assurance and the standards and performance of all SEND schools within the Trust. The committee met three times during the year, the main areas of focus were:

- Oversight of Trust integration and emerging risks
- Review outcomes and cluster priorities
- Oversight of safeguarding trends and priorities
- Overview of pupil behaviour
- Review of risks and associated mitigation plans
- Review and approval of SEND policies
- Oversight of EPIC and SALT provision

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mihir Trivedi (Chair)	3	3
Shane Bray	3	3
Margaret Spence	3	3
Gary Sims	2	3
Paul Stone (Trust Leader and Accounting Officer)	3	3
Chris Bristow	2	3

The **Human Resources Committee** is also a committee of the main board of trustees. Its purpose is to provide the Board with assurance concerning all aspects of strategic workforce and organisational development. The committee met two times during the year to consider specific matters. The main areas of focus during the year were:

- Approval of the Teachers, Support staff and Executive pay policies
- Oversight of the Equality Strategy & Gender Pay Gap Reporting
- HR strategy and KPI oversight
- Monitoring and oversight of performance management and pay progression
- Approval of an Appraisal Policy
- Oversight of staff survey results and proposed action plan
- Oversight of Flexible Working Ambassador project
- Review of risks and associated mitigation plans
- Overview of any remodelling processes
- Wider workforce policy approval

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jonathan Parsons (Previous chair)	2	2
Stephen Dixon-Mould (Chair)	1	1
Richard Bettsworth	1	2
Shane Bray	2	2
Lucy Welsford	1	1
Paul Stone (Trust Leader and Accounting Officer)	2	2

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Trust Leader has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Remote working and use of Teams resulting in reduced travel costs
- Further centralisation of Trust systems and practice
- Tendering of large Trust contracts such as External Audit, Payroll and HR Administration
- Conducted staff remodelling with the aim of aligning roles and responsibilities across the Trust and making financial efficiencies. This was driven by national benchmarking data such as VMFI

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Discovery for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

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

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

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

All of the above was delivered during 21/22 with no major or significant concerns identified.

On a termly basis, the reviewer reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis, the internal scrutiny provider prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

No material control issues were identified as a result of the internal audit conducted in 2021/2022.

Review of effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal scrutiny provider;
- the work of the external auditor;
- the resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- correspondence from ESFA e.g. FNTI/NtI and 'minded to' letters.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Richard Bettsworth
Richard Bettsworth (Dec 15, 2022 09:56 GMT)

.....
Richard Bettsworth
Chair of Trustees

Date: Dec 15, 2022

Paul Stone
Paul Stone (Dec 15, 2022 09:32 GMT)

.....
Paul Stone
Accounting Officer

Date: Dec 15, 2022


DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Discovery Schools Academies Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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


Paul Stone (Dec 15, 2022 09:32 GMT)

.....
Paul Stone
Accounting Officer

Date: Dec 15, 2022

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- 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 Board of Trustees and signed on its behalf by:

Richard Bettsworth
Richard Bettsworth (Dec 15, 2022 09:56 GMT)

.....
Richard Bettsworth
Chair of Trustees

Date: Dec 15, 2022

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

Opinion

We have audited the financial statements of Discovery Schools Academies Trust Ltd (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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, Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

Other information (continued)

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated 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 set out on page 28, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the Academy Trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.


David Hoose (Dec 15, 2022 13:04 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Dec 15, 2022

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

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

In accordance with the terms of our engagement letter dated 30 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Discovery Schools Academies Trust Ltd during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Discovery Schools Academies Trust Ltd and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Discovery Schools Academies Trust Ltd and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discovery Schools Academies Trust Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Discovery Schools Academies Trust Ltd's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Discovery Schools Academies Trust Ltd's funding agreement with the Secretary of State for Education dated 29 June 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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

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

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP (Dec 15, 2022 13:05 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Dec 15, 2022

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	As restated Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer on conversion from local authority	25	1,131	(5,052)	15,019	11,098	-
Other donations and capital grants		-	26	972	998	823
Other trading activities	5	1,464	-	-	1,464	1,011
Investments	6	2	-	-	2	-
Charitable activities	4	257	33,696	-	33,953	24,263
Teaching schools	4	-	1,182	-	1,182	673
Total income		2,854	29,852	15,991	48,697	26,770
Expenditure on:						
Raising funds	7	680	10	-	690	824
Charitable activities	8	257	38,013	1,226	39,496	26,925
Teaching schools	7	-	1,199	-	1,199	648
Other expenditure	7	-	-	128	128	40
Total expenditure		937	39,222	1,354	41,513	28,437
Net income/ (expenditure) carried forward		1,917	(9,370)	14,637	7,184	(1,667)

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	As restated Total funds 2021 £000
	Note					
Net income/ (expenditure) brought forward		1,917	(9,370)	14,637	7,184	(1,667)
Transfers between funds	18	(206)	67	139	-	-
Net movement in funds before other recognised gains/(losses)		<u>1,711</u>	<u>(9,303)</u>	<u>14,776</u>	<u>7,184</u>	<u>(1,667)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	28,505	-	28,505	(4,214)
Net movement in funds		<u>1,711</u>	<u>19,202</u>	<u>14,776</u>	<u>35,689</u>	<u>(5,881)</u>
Reconciliation of funds:						
Total funds brought forward		2,241	(19,883)	30,940	13,298	19,179
Net movement in funds		1,711	19,202	14,776	35,689	(5,881)
Total funds carried forward		<u>3,952</u>	<u>(681)</u>	<u>45,716</u>	<u>48,987</u>	<u>13,298</u>

The notes on pages 40 to 73 form part of these financial statements.

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08104111

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Tangible assets	14	44,345	29,380
		<u>44,345</u>	<u>29,380</u>
Current assets			
Debtors	15	1,532	939
Cash at bank and in hand	23	8,035	5,534
		<u>9,567</u>	<u>6,473</u>
Creditors: Amounts falling due within one year	16	(4,038)	(2,514)
Net current assets		<u>5,529</u>	<u>3,959</u>
Total assets less current liabilities		<u>49,874</u>	<u>33,339</u>
Creditors: Amounts falling due after more than one year	17	(6)	(8)
Net assets excluding pension liability		<u>49,868</u>	<u>33,331</u>
Defined benefit pension scheme liability	27	(881)	(20,033)
Total net assets		<u><u>48,987</u></u>	<u><u>13,298</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	45,716	30,940
Restricted income funds	18	200	150
		<u>45,916</u>	<u>31,090</u>
Restricted funds excluding pension asset	18	45,916	31,090
Pension reserve	18	(881)	(20,033)
Total restricted funds	18	<u>45,035</u>	<u>11,057</u>
Unrestricted income funds	18	<u>3,952</u>	<u>2,241</u>
Total funds		<u><u>48,987</u></u>	<u><u>13,298</u></u>

DISCOVERY SCHOOLS ACADEMIES TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08104111

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 35 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Richard Bettsworth
Richard Bettsworth (Dec 15, 2022 09:56 GMT)

.....
Richard Bettsworth
Chair of Trustees

Date: Dec 15, 2022

The notes on pages 40 to 73 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

		2022	As restated
	Note	£000	2021
			£000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,489	926
Cash flows provided by/(used in) investing activities	22	1,015	(203)
Cash flows used in financing activities	21	(3)	(6)
Change in cash and cash equivalents in the year		2,501	717
Cash and cash equivalents at the beginning of the year		5,534	4,817
Cash and cash equivalents at the end of the year	23, 24	<u>8,035</u>	<u>5,534</u>

The notes on pages 40 to 73 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

- **Donations**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold land	- No depreciated
Long leasehold land	- 0.8% straight line
Long leasehold property	- 2% straight line
Furniture and fittings	- 10% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 20% straight line

The Academy Trust occupies certain land (including buildings) which are owned by its Trustees. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church's contribution since 1847 to provide State funded education in partnership with the State.

The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Directors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the Balance Sheet of the Academy Trust.

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

1.6 Liabilities

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

1.7 Provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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.

1.10 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Church owned land and buildings

The Academy Trust occupies certain land (including buildings) which are owned by its Trustees. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Directors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the Balance Sheet of the Academy Trust.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Transfer on conversion from local authority	1,131	(5,052)	15,019	11,098	-
Capital grants	-	-	972	972	791
Donations	-	26	-	26	32
Total 2022	1,131	(5,026)	15,991	12,096	823
Total 2021	-	32	791	823	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	21,530	21,530	17,991
Other DfE/ESFA grants				
Pupil Premium	-	1,627	1,627	1,349
UFSM	-	516	516	594
Teachers' Pay and Pension Grants	-	13	13	809
Others	-	907	907	454
	-	24,593	24,593	21,197
Other Government grants				
Local authority grants	-	8,808	8,808	2,570
Other income from the Academy Trust's educational operations	257	295	552	144
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	352
	257	33,696	33,953	24,263
Teaching school hub				
Other income	-	1,182	1,182	673
Total 2022	257	34,878	35,135	24,936
Total 2021	64	24,872	24,936	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	5	5	6
Income from other charitable activities	1,459	1,459	1,005
Total 2022	1,464	1,464	1,011
Total 2021	1,011	1,011	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Short term deposits	2	2	2
Total 2021	2	2	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs	Premises	Other	Total	As restated
	2022	2022	2022	2022	Total
	£000	£000	£000	£000	2021
					£000
Expenditure on raising funds:					
Allocated support costs	508	-	182	690	824
Academy's educational operations:					
Direct costs	23,786	1,226	1,638	26,650	21,140
Allocated support costs	8,765	1,867	2,214	12,846	5,785
Teaching school	364	-	835	1,199	648
Improvements to diocesan property occupied by the Academy Trust	-	128	-	128	40
Total 2022	33,423	3,221	4,869	41,513	28,437
Total 2021 as restated	23,017	1,729	3,691	28,437	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Charitable activities

	2022	As restated
	£000	2021
		£000
Direct costs - educational operations	26,650	21,140
Support costs - educational operations	12,846	5,785
Support costs - teaching school hub	1,199	648
	<u>40,695</u>	<u>27,573</u>

	Teaching	Educational	2022	2021
	school hub	operations	£000	£000
	£000	£000		
Analysis of support costs				
Support staff costs	364	8,765	9,129	3,254
Technology costs	-	250	250	-
Premises costs	-	1,867	1,867	1,151
Legal costs – conversion	-	-	-	11
Other support costs	835	1,924	2,759	1,962
Governance costs	-	40	40	55
Total 2022	<u>1,199</u>	<u>12,846</u>	<u>14,045</u>	<u>6,433</u>
Total 2021	<u>648</u>	<u>5,785</u>	<u>6,433</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	As restated
	£000	2021
		£000
Operating lease rentals	18	18
Depreciation of tangible fixed assets	1,225	772
Loss on disposal of fixed assets	-	120
Fees paid to auditor for:		
- audit	28	34
- other services	7	3
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	21,689	15,801
Social security costs	2,020	1,300
Pension costs	8,969	5,481
	<u> </u>	<u> </u>
	32,678	22,582
Agency staff costs	694	417
Staff restructuring costs	51	18
	<u> </u>	<u> </u>
	33,423	23,017
	<u> </u>	<u> </u>

Staff restructuring costs comprise:

	2022	2021
	£000	£000
Redundancy payments	51	8
Other restructuring costs	-	10
	<u> </u>	<u> </u>
	51	18
	<u> </u>	<u> </u>

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10. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	289	222
Administration and support	652	536
Management	35	32
	<u>976</u>	<u>790</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	2	1
	<u>23</u>	<u>16</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £635k (2021 - £759k).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Estates
- Affinity membership
- Strategic finance
- Strategic HR
- Governance
- Strategic ICT
- School improvement services
- Legal services
- Safeguarding

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

All central overheads are charged out to schools which amounted to the equivalent of 5% of GAG income.

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Kibworth C of E Primary School	129	111
Parkland Primary School	121	113
Sileby Redlands Community Primary School	77	69
Enderby Danemill Primary School	84	77
Woolden Hill Primary School	44	40
Mowmacre Hill Primary School	90	90
Greystoke Primary School	75	65
Farndon Fields Primary School	54	47
Captain's Close Primary School	36	34
Fossebrook Primary School	44	42
Braunstone Community Primary School	98	98
Merrydale Junior School	83	79
Leighfield Primary School	35	35
Total	970	900

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FOR THE YEAR ENDED 31 AUGUST 2022

12. Trustees' remuneration and expenses

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

		2022	2021
		£000	£000
Paul Stone, Trust Leader	Remuneration	80 - 85	125 - 130
	Pension contributions paid	15 - 20	25 - 30

During the period ended 31 August 2022, travel and subsistence expenses totalling £1,926 were reimbursed or paid directly to 2 Trustees (2021 - £401 to 2 trustees).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover unlimited cover on any one claim. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold land and buildings £000	Long leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2021 (as previously stated)	659	32,395	733	1,238	-	35,025
Prior Year Adjustment	-	(1,452)	-	-	-	(1,452)
At 1 September 2021 (as restated)	659	30,943	733	1,238	-	33,573
Additions	-	947	68	184	-	1,199
Acquisitions	-	14,550	167	233	41	14,991
Transfers between classes	1,548	(1,548)	-	-	-	-
At 31 August 2022	2,207	44,892	968	1,655	41	49,763
Depreciation						
At 1 September 2021 (as previously stated)	-	3,394	304	646	-	4,344
Prior Year Adjustment	-	(151)	-	-	-	(151)
At 1 September 2021 (as restated)	-	3,243	304	646	-	4,193
Charge for the year	-	839	91	287	8	1,225
Transfers between classes	177	(177)	-	-	-	-
At 31 August 2022	177	3,905	395	933	8	5,418
Net book value						
At 31 August 2022	2,030	40,987	573	722	33	44,345
At 31 August 2021 (as restated)	659	27,700	429	592	-	29,380

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15. Debtors

	2022	2021
	£000	£000
Due within one year		
Trade debtors	625	111
VAT recoverable	108	164
Other debtors	-	46
Prepayments and accrued income	799	618
	<u>1,532</u>	<u>939</u>

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,048	746
Other taxation and social security	413	292
Other loans	5	6
Other creditors	499	384
Accruals and deferred income	2,073	1,086
	<u>4,038</u>	<u>2,514</u>

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16. Creditors: Amounts falling due within one year (continued)

	2022	2021
	£000	£000
Deferred income at 1 September	620	619
Resources deferred during the year	878	620
Amounts released from previous periods	(595)	(619)
Deferred income at 31 August	903	620

Deferred income includes the following:

UIFSM	£306k (2021 - £318k)
Bursary funding	£17k (2021 - £Nil)
School trips	£78k (2021 - £48k)
Pre-school autumn term	£79k (2021 - £56k)
Conversion grant	£25k (2021 - £26k)
Syrian Refugee funding	£7k (2021 - £Nil)
Recovery grant	£61k (2021 - £Nil)
National Tutoring Grant	£168k (2021 - £Nil)
PE Grant	£24k (2021 - £42k)
Rates relief	£Nil (2021 - £25k)
Others	£138k (2021 - £105k)

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

	2022	2021
	£000	£000
Other loans	6	8

Included within other loans are Salix Finance of £6k (2021 - £8k). The loans are interest free and repayable in instalments over 8 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	As restated Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	2,241	2,854	(937)	(206)	-	3,952
Restricted general funds						
General Annual Grant (GAG)	-	21,530	(21,597)	67	-	-
Pupil Premium	-	1,627	(1,627)	-	-	-
UIFSM	-	516	(516)	-	-	-
Other restricted funds	-	10,049	(9,981)	-	-	68
Teaching School	150	1,182	(1,200)	-	-	132
Pension reserve	(20,033)	(5,052)	(4,301)	-	28,505	(881)
	(19,883)	29,852	(39,222)	67	28,505	(681)
Restricted fixed asset funds						
Fixed assets net book value	29,380	15,019	(1,360)	1,305	-	44,344
Unsent capital	1,574	972	-	(1,166)	-	1,380
Salix loan	(14)	-	6	-	-	(8)
	30,940	15,991	(1,354)	139	-	45,716
Total Restricted funds	11,057	45,843	(40,576)	206	28,505	45,035
Total funds	13,298	48,697	(41,513)	-	28,505	48,987

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Pupil Premium

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

Other restricted funds

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

Pension reserve

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

Restricted fixed asset fund

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in long leasehold property, fixtures and fittings, and computer equipment. Also included in the funds is depreciation charged on fixed assets held. Transfers of £214,000 from restricted funds to the restricted fixed asset fund represents allocations of restricted funds to capital spends.

Capital grants

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

The CIF loan balance represents the Salix loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from unrestricted funds against the CIF loan fund.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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18. Statement of funds (continued)

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	2,264	1,075	(717)	(381)	-	2,241
Restricted general funds						
General Annual Grant (GAG)	-	17,991	(18,051)	60	-	-
Pupil Premium	-	1,349	(1,349)	-	-	-
UIFSM	-	594	(594)	-	-	-
Teachers' Pay and Pension Grants	-	809	(809)	-	-	-
Other DfE/ESFA grants	-	454	(454)	-	-	-
Other Government grants	-	2,570	(2,570)	-	-	-
Other income	-	112	(112)	-	-	-
Teaching school	108	673	(641)	10	-	150
Covid-19 Catch-Up	-	352	(352)	-	-	-
Pension reserve	(13,843)	-	(1,976)	-	(4,214)	(20,033)
	(13,735)	24,904	(26,908)	70	(4,214)	(19,883)

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

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 August 2021 £000
Restricted fixed asset funds						
Net book value	29,278	-	(812)	914	-	29,380
SCA capital grant	662	632	-	(335)	-	959
S106 grant	567	57	-	(198)	-	426
DfC grant	65	102	-	(75)	-	92
Growth pot grant	98	-	-	(1)	-	97
Salix loan	(20)	-	-	6	-	(14)
	<u>30,650</u>	<u>791</u>	<u>(812)</u>	<u>311</u>	<u>-</u>	<u>30,940</u>
Total Restricted funds	<u>16,915</u>	<u>25,695</u>	<u>(27,720)</u>	<u>381</u>	<u>(4,214)</u>	<u>11,057</u>
Total funds	<u>19,179</u>	<u>26,770</u>	<u>(28,437)</u>	<u>-</u>	<u>(4,214)</u>	<u>13,298</u>

Total funds analysis by academy

The Academy Trust pools GAG reserves centrally. There are no material unspent non GAG funds held at year end in any of the Academy Trust schools.

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Central MAT reserve	4,020	2,241
Teaching school hub	132	150
	<u>4,152</u>	<u>2,391</u>
Total before fixed asset funds and pension reserve	4,152	2,391
Restricted fixed asset fund	45,716	30,940
Pension reserve	(881)	(20,033)
Total	<u>48,987</u>	<u>13,298</u>

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	As restated Total 2021 £000
Discovery Schools Academies Trust	883	513	2	42	1,440	1,435
Kibworth Church of England Primary	2,007	244	50	720	3,021	2,623
Parkland Primary	2,148	298	48	395	2,889	2,791
Sileby Redlands Community Primary	1,335	217	20	309	1,881	1,753
Enderby Danemill Primary	1,479	197	34	369	2,079	1,877
Woolden Hill Primary	788	137	9	216	1,150	1,019
Mowmacre Hill Primary	1,698	249	24	427	2,398	2,270
Greystoke Primary	1,368	155	20	301	1,844	1,757
Affinity Teaching School Alliance	249	258	9	27	543	303
Teaching school hub	166	198	-	837	1,201	964
Farndon Fields Primary	1,113	154	13	283	1,563	1,396
Captains Close Primary	890	157	9	224	1,280	1,073
Fossebrook Primary	654	125	12	191	982	907
Braunstone Community Primary	1,970	373	22	456	2,821	2,777
Merrydale Junior	1,406	148	31	363	1,948	1,863
Leighfield Primary	628	107	12	208	955	880
Keyham Lodge	2,896	321	16	579	3,812	-
Millgate	3,132	461	17	570	4,180	-
FRS 102 adjustment	-	4,301	-	-	4,301	-
Academy Trust	24,810	8,613	348	6,517	40,288	25,688

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19. Analysis of net assets between funds

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	44,345	44,345
Current assets	3,952	4,236	1,379	9,567
Creditors due within one year	-	(4,036)	(2)	(4,038)
Creditors due in more than one year	-	-	(6)	(6)
Provisions for liabilities and charges	-	(881)	-	(881)
Total	3,952	(681)	45,716	48,987

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	29,380	29,380
Current assets	2,241	2,546	1,686	6,473
Creditors due within one year	-	(2,396)	(118)	(2,514)
Creditors due in more than one year	-	-	(8)	(8)
Provisions for liabilities and charges	-	(20,033)	-	(20,033)
Total	2,241	(19,883)	30,940	13,298

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

	2022	2021
	£000	£000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	7,184	(1,667)
Adjustments for:		
Depreciation	1,225	772
Capital grants from DfE and other capital income	(972)	(791)
Defined benefit pension scheme obligation inherited	5,052	-
Defined benefit pension scheme cost less contributions payable	3,856	1,727
Defined benefit pension scheme finance cost	445	249
(Increase)/decrease in debtors	(593)	301
Increase in creditors	1,525	215
Loss on disposal of fixed assets	-	120
Donated fixed assets	(14,991)	-
Transfer on conversion from local authority	(1,242)	-
Net cash provided by operating activities	1,489	926

21. Cash flows from financing activities

	2022	2021
	£000	£000
Repayments of borrowing	(3)	(6)

22. Cash flows from investing activities

	2022	2021
	£000	£000
Purchase of tangible fixed assets	(1,199)	(994)
Capital grants from DfE Group	972	791
Transfer on conversion from local authority	1,242	-
Net cash provided by/(used in) investing activities	1,015	(203)

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23. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	8,035	5,534

24. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	Transfer on conversion from local authority £000	At 31 August 2022 £000
Cash at bank and in hand	5,534	1,259	1,242	8,035
Debt due within 1 year	(6)	1	-	(5)
Debt due after 1 year	(8)	2	-	(6)
	<u>5,520</u>	<u>1,262</u>	<u>1,242</u>	<u>8,024</u>

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25. Conversion to an Academy Trust

On 1 September 2021 the Keyham Lodge School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Discovery Schools Academies Trust Ltd from Leicestershire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Freehold land and buildings	-	-	8,471	8,471
Other tangible fixed assets	-	-	219	219
Current assets				
Cash - representing budget surplus on LA funds	556	-	-	556
Debtors and accrued income	64	-	-	64
Current liabilities				
Creditors and deferred income	(48)	-	-	(48)
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(5,052)	-	(5,052)
Net assets/(liabilities)	<u>572</u>	<u>(5,052)</u>	<u>8,690</u>	<u>4,210</u>

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25. Conversion to an Academy Trust (continued)

On 1 September 2021 Millgate School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Discovery Schools Academies Trust Ltd from Leicestershire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Freehold land and buildings	-	6,080	6,080
Other tangible fixed assets	-	222	222
Current assets			
Cash - representing budget surplus on LA funds	439	-	439
Debtors and accrued income	162	-	162
Current liabilities			
Creditors and deferred income	(42)	-	(42)
Net assets	<u>559</u>	<u>6,302</u>	<u>6,861</u>

The pension liability transferred in could not be split between the two school joiners as the Trust is provided with a consolidated LGPS valuation.

26. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements	<u>67</u>	<u>269</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £493k were payable to the schemes at 31 August 2022 (2021 - £385k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,557k (2021 - £1,938k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £2,617k (2021 - £1,987k), of which employer's contributions totalled £2,057k (2021 - £1,575k) and employees' contributions totalled £560k (2021 - £412k). The agreed contribution rates for future years are 22.5% per cent for employers and 5.5% - 12.5% 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.

CPI assumption

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 August 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 August. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.55	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90

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

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27. Pension commitments (continued)

	2022 Years	2021 Years
Retiring today		
Males	21.5	21.7
Females	24.0	24.2
Retiring in 20 years		
Males	22.4	22.6
Females	25.7	25.9

Sensitivity analysis

	2022 £000	2021 £000
Discount rate -0.1%	816	1,139
Mortality assumption - 1 year increase	1,193	1,658
CPI rate +0.1%	755	1,038
Salary rate +0.1%	69	85

Share of scheme assets

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

	2022 £000	2021 £000
Equities	17,660	12,420
Bonds	8,106	6,210
Property	2,606	1,499
Cash	579	1,285
Total market value of assets	28,951	21,414

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

	2022 £000	2021 £000
Current service cost	(5,913)	(3,302)
Interest income	458	286
Interest cost	(903)	(535)
Total amount recognised in the Statement of Financial Activities	(6,358)	(3,551)

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27. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	41,447	29,752
Conversion of academy trusts	10,242	-
Current service cost	5,913	3,302
Interest cost	903	535
Employee contributions	560	412
Actuarial (gains)/losses	(29,002)	7,614
Benefits paid	(231)	(168)
At 31 August	29,832	41,447

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

	2022 £000	2021 £000
At 1 September	21,414	15,909
Conversion of academy trusts	5,190	-
Interest income	458	286
Actuarial (losses)/gains	(497)	3,400
Employer contributions	2,057	1,575
Employee contributions	560	412
Benefits paid	(231)	(168)
At 31 August	28,951	21,414

28. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	10	13
	24	27

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29. Members' liability

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

30. Related party transactions

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

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

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

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

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

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

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31. Prior year adjustment

The Diocese of Leicester has adopted the view that where a church school has joined a Multi-Academy Trust, the school assets should not be included on the Balance Sheet of that Trust. It has further stated that it will not approve the Trust financial statements at the year end if these figures are presented. Discovery Schools Academy Trust Ltd includes a church school under the Diocese of Leicester. The Trust has taken the decision to de-recognise all church assets prior to the presentation of these final accounts.

In respect of the previously reported financial information for the year ended 31 August 2021, this has lead to the following amendments:-

- A reduction in leasehold land and buildings of 1,301,000
- A reduction in direct costs of £31,000
- An increase in improvements to diocesan property occupied by the Academy Trust of £40,000
- A reduction in restricted fixed asset funds of £1,292,000