

Company Registration Number: 08249250 (England & Wales)

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

FRIDAY



\*ABVMJNQ\*

A08

20/01/2023

#95

COMPANIES HOUSE

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 15
<b>Governance Statement</b>	16 - 19
<b>Statement on Regularity, Propriety and Compliance</b>	20
<b>Statement of Trustees' Responsibilities</b>	21
<b>Independent Auditors' Report on the Financial Statements</b>	22 - 25
<b>Independent Reporting Accountant's Report on Regularity</b>	26 - 28
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	29
<b>Balance Sheet</b>	30 - 31
<b>Statement of Cash Flows</b>	32
<b>Notes to the Financial Statements</b>	33 - 61

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Carole Bell  
Julie Cuthbertson  
Philip McAloon

**Trustees**

L Williams, Chair  
L Nixon, Vice Chair<sup>1</sup>  
L Brown  
A Cunningham, Accounting Officer (resigned 31 August 2022)<sup>1</sup>  
L Harbottle  
C Marjoram<sup>1</sup>  
J Quinn<sup>1</sup>

<sup>1</sup> Members of Finance and General Purposes Committee

**Company registered number**

08249250

**Company name**

Discover Learning Trust

**Principal and registered office**

Oxclose Community Academy  
Dilston Close  
Washington  
Tyne and Wear  
NE38 0LN

**Company secretary**

L Whitfield

**Senior leadership team**

A Cunningham, Chief Executive Officer & Accounting Officer (resigned 31 August 2022)  
P Hegarty, Headteacher (OCA), Chief Executive Officer & Accounting Officer (appointed 01 September 2022)  
A Bolam, Headteacher (OPA)  
A Butler, Deputy Headteacher (OPA)  
A J Parkes, Deputy Headteacher (OCA)  
N Hardy, Director of Curriculum (OCA)  
J Lumley, Director of Pastoral & Student Welfare (OCA)  
K Atkinson, Director of Business and Finance (OCA & OPA)

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW

**Bankers**

Lloyds Bank plc  
L54-55 Fawcett Street  
Sunderland  
SR1 1SE

**Solicitors**

Womble Bond Dickinson (UK) LLP  
Helix  
The Spark  
Draymans Way  
Newcastle Upon Tyne  
NE4 5DE

**DISCOVER LEARNING TRUST**  
**(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 auditors' report of the charitable company for the 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 academy trust operates a Multi-Academy Trust (MAT) with one secondary school, Oxclose Community Academy (OCA) for pupils aged 11 to 16, and one primary, Oxclose Primary Academy (OPA) for pupils aged 4-11, serving a catchment area in the City of Sunderland.

OCA is oversubscribed with 1134 pupils on roll at the latest census return dated 19th May 2022. OPA has a published admission number (PAN) of 210 against pupils on roll of 192 as stated in the most recent census return dated 19th May 2022.

The Trust Board is the admissions authority for both academies and all admission applications are processed through the Local Authority. Children who have an Educational Health Care Plan or a statement of Special Educational need, which names the school, will automatically be offered a place. The admissions criteria will only be applied if there are more preferences expressed than places available, which is detailed in full in our full admission policy.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Discover Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Discover Learning Trust.

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

### **Members' liability**

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

### **Trustees' indemnities**

The academy trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 12.

### **Method of recruitment and appointment or election of Trustees**

The members appoint a minimum of 3 Trustees including the Chief Executive Officer (CEO). The term of office for any Trustee shall be 4 years, excluding the CEO where this time limit shall not apply. The appointment of Chair and Vice Chair will be every 2 years as set out in the Articles of Association. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees depends on their existing experience. The academy trust subscribe to a Governor Training Service Level Agreement with the Local Authority, which offers a comprehensive training package for all Trustees and Governors. All new Trustees are given a tour of the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

**Organisational structure**

During the year the academy trust continued to operate a unified management structure. The structure consists of 5 levels: The Trustees, the Executive Group, the Senior Leadership, Extended Leadership and the Middle Management Teams.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees have full delegated powers for all financial and personnel decisions and accountabilities for both academies. All other responsibilities have been delegated to the governing bodies of both academies, which include Trustees who act as advisory Governors to the Trust Board.

The Chief Executive Officer works closely with the Headteachers of OCA and OPA who control the academies at a leadership level implementing the policies and reporting them back through a Trust agreed and approved organisational structure. Further leadership is provided through the Senior Leadership Teams of both academies including a Deputy Headteacher and 2 Directors (OCA), a Deputy Headteacher (OPA), plus a Director of Finance and Business who works across both academies, all of which are operating under the delegated responsibilities assigned by the Board of Trustees.

The Middle Management of the academy trust is centered on Heads of Department and Heads of Year (OCA) and subject leaders (OPA). These managers are responsible for the day to day operations of the academies, organising teaching staff, curriculum, students, supplies and services. Teachers in the primary academy assume middle management responsibilities for individual areas of the curriculum as curriculum leaders.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Arrangements for setting pay and remuneration of key management personnel**

To comply with the School Teachers and Pay and Conditions Document (STPCD), the Governing Body will only review the pay of leadership group posts appointed prior to 1 September 2014 in the following circumstances:

- Individual responsibilities have significantly changed on or after 1 September 2014
- To maintain consistency either with pay arrangement for new appointments to the leadership group made on or after 1 September 2014 or with pay arrangements for a member(s) of the leadership group whose responsibilities have significantly changed on or after that date.

Any such review will be done so in accordance with the provisions of the STPCD. For new appointments, the Governing Body will comply with paragraphs 5 to 9 of the STPCD.

When determining a pay range, the Governing Body will allow at least 5 reference points for the performance related progression. In this academy trust, the Governing Body will use reference points to determine leadership group salaries.

**Pay Progression – Leadership Group**

The Governing Body will annually review the salaries of the members of the leadership group in accordance with paragraph 11 of the STPCD. All decisions regarding pay progression will be related to the individual's performance and appraisal reports.

Where the evidence demonstrates sustained high quality of performance, the Governing Body will consider the award of one point. Where the evidence shows exceptional performance, the Governing Body may consider the use of its flexibilities to pay enhanced pay progression up to the maximum of two additional points.

If a member of the leadership group reaches the top of their pay range, they will continue to be paid at the top of that range until such time as the Governing Body is able to reassess the pay range using the method stipulated in paragraph 9 of this policy and part 2 of the STPCD.

**Trade union facility time**

There are no employees who were relevant union officials during the period 1 September 2021 to 31 August 2022.

The trust pays into a local authority scheme that provides this service.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Related parties and other connected charities and organisations**

Discover Learning Trust assumes full responsibility for the MAT's financial and personnel management, along with any appeals and complaints. They also act as the admissions authority for both academies, for which there is an approved policy on our website. All other policies have been considered by the academy trust, some of which remain at trust level for review and ratification, and others have been assigned to the Local Governing Body for review and ratification, where appropriate. The Local Governing Bodies are held responsible for challenge and standards, pupil discipline and school complaints. In terms of the funding. The Trust holds the funding agreements for both academies and takes full responsibility for the delegation and retention of funds for joint usage.

The MAT continues to work in close partnership with the Local Authority and is able to access a range of services through service level agreements. Additional educational challenge is accessed through a number of sources: such as partnership working with other schools and educational organisations, along with buying into other educational consultancy services, recognised as providing consistently good and effective challenge.

All new related party transactions that commenced after April 2019 will be reported to ESFA and approval sought on any transactions which are cumulatively over £20,000 in the year (full details of all related parties and other interests are detailed on our website).

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object and activity of the charitable company is the operation of Discover Learning Trust to provide free education for young people of all abilities, based on an inclusive, balanced and broad curriculum between the ages of 4 and 16. The Local Governing Bodies and staff of the academies are committed to providing an outstanding education, which will support children's particular needs and encourage the development of their academic, social and intellectual understanding.

We strive to make our motto 'Value Diversity and Strive for Excellence' a reality in order that the young people of our academies are given the best possible opportunity to succeed in life. We pride ourselves in nurturing confident, responsible, kind young people who are well equipped to take on the challenges of further education and employment and to achieve a fulfilling life.

The main objectives of the academy trust during the year ended 31 August 2022 are as summarised below:

- Continued improvement in all aspects of the MAT's work resulting in increased efficiency and effectiveness
- Continually raise pupil progress across both academies by improving outcomes through the delivery of more effective teaching and learning across all Key Stages
- To prepare for a return to exam assessments, particularly GCSE and Key Stage 2 tests, following previous years TAG's, CAG's and cancellation of KS2 Tests.
- Undertake capital investment and projects to improve facilities in both schools at an efficient cost and to high standard
- To remain outwardly looking at opportunities to strengthen the MAT by collaboration and expansion.



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**OBJECTIVES AND ACTIVITIES (continued)**

**Objectives, strategies and activities**

**Strategy 1**

Raise pupil progress across both academies by improving outcomes through more effective teaching and learning.

**Activities:**

- Implement plans to focus on improving outcomes for disadvantaged cohorts, including FSM boys at KS4
- Identify gaps in learning from previous two years of Covid disruption
- Ensure Early Years Foundation stage curriculum is bespoke ambitious and develops early reading and phonics
- Effective teaching of reading and phonics with a broad and balanced curriculum
- Further improvements in Math's and English at KS4, which focus on increasing progress. particularly boys' progress

**Strategy 2**

To enhance mental health and well-being support for both staff and pupils in order to manage and support the academies' return to a stable curriculum delivery in school:

**Activities:**

- Leadership in both schools to source good quality CPD both for themselves and staff and pupils
- Well-being of staff to be a major focus of leadership support through regular monitoring and CPD. Trustee and Governor support and input to be planned
- Further establish role of mental health counsellor across the Trust and look to increase capacity
- Monitor and report the mental health and well-being of pupils regularly at Governor and Trustee termly meetings
- Develop through effective PSHE program students who have correct knowledge, confidence and resilience to keep themselves safe and mentally healthy

**Strategy 3**

To continue to improve efficient and effective financial and business practices in order to enhance the capacity of the Trust to achieve core priorities and improve the quality of staff and pupil outcomes

**Activities:**

- Embed further the reorganisation of the Finance and Business teams across the Trust
- Continue to develop the professional knowledge, responsibilities and expertise of the current staff through targeted high quality professional development underpinned by rigorous performance management
- Continue to implement the capital investment priorities as identified in the Capital Investment Plan in order to enhance further the services and facilities available to all staff at all levels across the Trust
- To undertake a thorough and rigorous independent external review of Governance and to act on and develop priorities identified

**Public benefit**

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRATEGIC REPORT**

**Achievements and performance**

2022 was the first year since 2019 that full terminal examination returned for KS4 and KS2. A total of 218 students took exams in total. This was a challenge for our schools to return to examinations when still trying to fill education gaps from the Covid years 2020-2021 and experiencing the worst absences rates due to continued Covid for staff and students in 2021-2022.

**Other aspects of achievement and performance worthy of note include:**

- Pupil admissions: continue to be very good and offer a secure basis for future planning in both schools.
- A very successful audit that once again underpins the strong financial and regularity checks and balances that are in place to manage the Trust and places the Trust a very confident position moving forward.
- Net assets within the MAT continue to be very strong and post no current risk to the viability of the MAT moving forward.

**Key Performance Indicators**

**Primary Results**

2022 KS2 results at Oxclose Primary Academy were very impressive. The best ever Reading results and second best Math's results both 1% below National including PIVAT children. With combined Reading, Writing and Math's rising from 43% to 57% and EGPS rising from 47% to 67% from 2019 to 2022. All results were significantly improved on the last year of terminal examination 2019. The EYFS Teacher assessments indicate students continue to arrive at school with below National Standards especially Writing and Math's.

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

	2017	2018	2019	2019 (without PIVATS)	2022	2022 (without PIVATS)
<b>Reading</b>	-2.8	-2.7	-3.6	-1.3	-1.0	-0.7
<b>Writing</b>	0.6	2.2	-3.8	-1.5	-1.9	-1.6
<b>Maths</b>	-1.2	-3.0	-2.4	0.9	-0.9	-0.5

SUBJECT	KS2 AVERAGE SCALED SCORE 2022	KS2 AVERAGE SCALED SCORE NATIONAL 2022	KS2 AVERAGE SCALED SCORE 2019	KS2 AVERAGE SCALED SCORE NATIONAL 2019
Reading	103.9	105	101.3	104
Math's	103.4	104	104.2	105

SUBJECT	KS2 TEST 2022 (ALL)	KS2 TEST 2022 (WITHOUT PIVATS)	KS2 TEST RESULTS NATIONAL 2022	KS2 TEST 2019 (ALL)	KS2 TEST 2019 (WITHOUT PIVATS)	KS2 TEST RESULTS NATIONAL 2019
Reading	73% (22/30)	79% (22/28)	74%	50% (15/30)	70% (14/20)	73%
Writing TA	67% (20/30)	71% (20/28)	69%	50% (15/30)	79% (15/19)	78%
Math's	70% (21/30)	75% (21/28)	71%	60% (18/30)	90% (18/20)	79%
EGPS	67% (20/30)	71% (20/28)	72%	47% (14/30)	74% (14/19)	78%
R, W, M Combined	57% (17/30)	61% (17/28)	59%	43% (13/30)	65% (13/20)	65%

SUBJECT	KS1 TA 2022 (ALL)	KS1 TA 2022 (WITHOUT PIVATS)	KS1 NATIONAL 2022	KS1 TA 2019 (ALL)	KS1 TA NATIONAL 2019
Reading	65% (17/26)	71% (17/24)	TBC	73% (22/30)	75%
Writing	62% (16/26)	67% (16/24)	TBC	73% (22/30)	69%
Math's	65% (17/26)	71% (17/24)	TBC	80% (24/30)	76%

SUBJECT	EYFS TA 2022 (ALL)	EYFS RESULTS (ELG) NATIONAL	EYFS TA 2019 (ALL)	EYFS TA 2019 (WITHOUT PIVATS)	EYFS RESULTS (ELG) NATIONAL 2019
Reading	63% (15/24)	TBC	71% (20/28)	77% (20/26)	77%
Writing	54% (13/24)	TBC	71% (20/28)	77% (20/26)	74%
Math's (Number)	64% (16/24)	TBC	75% (21/28)	81% (21/26)	80%
GLD	54% (13/24)	TBC	71% (20/28)	77% (20/26)	72%

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

**Key Stage 4 Results**

2022 results at Oxclose Community Academy were disappointing. With underperformance by the Ebacc subjects. The school was not allowed to count its very successful early entry English Literature results due to government decision not to allow early entry subjects to count for school figures but does count for students as a highly valued GCSE grade. The impact of this removal of English Literature GCSE was to reduce Progress 8 from -0.33 to -0.45 and Attainment 8 reduced from 47.81 to 45.93.

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

	<b>2022 National Estimates based on Sisra 1322 schools</b>	<b>2022 results</b>	<b>2019 results</b>
Progress 8	0.01	-0.45 (-0.33)	-0.18
Attainment 8	49.13	45.93 (47.81)	46.6
5+ Eng. & Maths	49.6	37	39
4+ Eng. & Maths	69.3	61	68
5+ Maths	54.7	47	45
4+ Maths	73.6	69	75
5+ English (All schools count best of lang & lit. Oxclose only best of lang)	65.8	52	61
4+ English (All schools count best of lang & lit. Oxclose only best of lang)	79.8	74	77
5+ English lit (early entry not counted)	62.1	61.9	53
4+ English Lit (Early entry not counted)	77.5	80	69.9
Strong Pass Ebacc	19.2	11	11
Standard Pass Ebacc	25.8	19	21
Entered Ebacc	37.4	20	36
Average Ebacc points	4.27	3.42	3.76

<b>Progress 8</b>	<b>2022</b>	<b>Nat 19</b>	<b>2019</b>
<b>All</b>	<b>-0.45</b>	<b>-0.03</b>	<b>-0.22</b>
<b>Low</b>	<b>-0.14</b>	<b>-0.22</b>	<b>-0.33</b>
<b>Middle</b>	<b>-0.47</b>	<b>-0.02</b>	<b>-0.03</b>
<b>High</b>	<b>-0.68</b>	<b>0.01</b>	<b>-0.36</b>
<b>Disadv</b>	<b>-0.62</b>	<b>-0.45</b>	<b>-0.52</b>
<b>Disadv Boys</b>	<b>-0.56</b>		<b>-0.87</b>
<b>Disadv Girls</b>	<b>-0.69</b>		<b>-0.02</b>
<b>Boys</b>	<b>-0.57</b>	<b>-0.27</b>	<b>-0.39</b>
<b>Girls</b>	<b>-0.31</b>	<b>0.23</b>	<b>-0.01</b>
<b>No SEN</b>	<b>-0.46</b>	<b>0.07</b>	<b>-0.11</b>
<b>SEN Support</b>	<b>-0.34</b>	<b>-0.03</b>	<b>-0.72</b>
<b>SEN - EHCP</b>	<b>-1.25</b>	<b>-0.03</b>	<b>-1.08</b>

**Summative Achievement & Progress**

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

The summative analysis is by comparing the 218 students who sat their exams in 2022 with 2019 the last year the school had full terminal examination. In 2022 there was a drop in progress and an increase in attainment if take into account loss due to the non-count early entry. The higher attainment was delivered by gaining 56 more grade 7,8 and 9 from 2019. The greatest progress was by low ability students with the greatest improvement by disadvantaged boys and students with SEN support. The greatest drop in progress is middle and high ability students with girls and especially disadvantaged girls. Disadvantaged students continue to be an issue with best performance by low ability disadvantaged girls and boys and high ability disadvantaged boys.

**Subjects Achievement & Progress**

The open basket continues to be the school's highest performing group of subjects with Humanities being the worst performing with poor performance in Geography and History. The open basket has been reduced due to non-count of English Literature which means the worst performing Ebacc subject is counted in this basket.

	Eng.	Maths	Ebacc	Open	Sci	Lang	Hum
Progress	-0.73	-0.67	-0.75	0.11	-0.49	-0.43	-0.9

English and Math's had disappointing results with poor correlation between the subjects with.  
33 students gained 5+ in English not Math's - with 22 of the 33 gaining grade 4 which is 10%  
24 students gained 5+ in Math's not English - with 15 of the 24 gaining grade 4 which is 7%

% Highest grades 8-9		% Highest grade 9-5		% Improvements Grade 8-9 from 2019		% Improvements Grade 9-5 from 2019	
Music	27.3	Oak Learning: Photography	100	Citizenship	17 %	Photography	24%
Sport Science	26.7	PE: Sport Science Cambridge National	100	Health & Social Care	14 %	Graphics	18%
Textiles	22.2	PA: Music Performance Tech Award	100	Music	67 %	Citizenship	15%
IT	21.3	Business Enterprise Tech Award	90.9	Business Studies	23 %	French	63%
Citizenship	19.4	DT: Health and Social Care Tech Award	88.9	Digital IT	44 %	Spanish	40%

The highest performing subjects were DT/Art, Sport, Performing arts, IT & Business and Citizenship. The MFL department has begun to grow in number of students studying the subject with improving grades 9-5.

**Areas of Improvement**

The achievement and progress of disadvantaged pupils, particularly boys, continues to be an improvement priority.

-English and Math's must improve attainment and progress with a closer correlation of grades between the subjects

-Geography and History must improve progress and attainment and ensure they achieve in line with National data.

-Assessment of students must be rigorous and robust and generate accurate prediction to ensure effective intervention.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

**Going Concern**

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

**Financial Review**

Most of the academy trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, both academies have received their annual receipt of Pupil Premium funding from the ESFA, totaling £313,000 for OCA and £165,000 for OPA. The Trust has also continued to receive additional Covid catch-up related funding in the form of School Led Tutoring and Recovery premium funding. Both academies have also began to receive their supplementary grant funding, which has been introduced to support the additional costs of the health and social care levy and other wider costs.

Both academies have also continued to receive a significant amount of Local Authority (LA) funding in the form of High Needs funding, including looked after children to support a number of in-year pupil changes. The Trust also received a significant amount of income from the LA to support the free school meal vouchers scheme across both schools. In addition, OCA received an allocation of Growth Funding for an additional 9 pupils totaling £119,000.

In terms of other income The Trust continues to generate a number of income streams. The most significant being school meals income which has improved since the decline in income after the disruption of the past two Covid years. As for lettings income, this has also begun improve as the uptake in community usage continues to rise.

During the year ended 31 August 2022, total expenditure of £10,525,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £140,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2022 net book value of fixed assets was £9,195,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a (asset) / deficit of £(129,000) recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2022 of £11,542,000 comprising £177,000 of restricted general funds, £9,502,000 of restricted fixed asset funds, a pension (asset) / deficit of £(129,000) and £1,734,000 of unrestricted funds.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**STRATEGIC REPORT (continued)**

**Reserves policy**

The academy trust holds, restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to provide funds which can be designated to specific areas such as:

- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £1,747,000. This is considered sufficient to cover any short-term cash flow interruption, such as a delay in the receipt of grant funding or a sudden unforeseen increase in expenditure.

As at 31 August 2022 the academy trust holds available reserves of £1,911,000 comprising of restricted general funds (excluding pension reserves) of £177,000 and unrestricted funds of £1,734,000. The Trustees continue to consider additional activities related to the academy trust's objectives to which the excess reserves are retained for capital investment and improvements.

**Investment policy**

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

**Principal risks and uncertainties**

Principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA.

The Trustees have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

**Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Plans for future periods**

Future plans for 2022-2023:

- Improving outcomes with a focus on particular disadvantaged groups.
- Improve attendance of students with specific programs to engage non attenders
- Develop Wellbeing support for staff, students and families.
- Develop explicit school wide systems to create an effective behaviour for learning culture to embed learning into how things are done and why
- Continue to explore opportunities to expand number of academies, primary and secondary, within the MAT

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware,
- 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:

**L Williams**  
Chair



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Discover Learning Trust 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 Chief Executive Officer, 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 Discover Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year, including a review of Finance, Audit and Risk. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Williams (Chair)	4	4
L Nixon (Vice Chair)	4	4
A Cunningham (CEO and Accounting Officer, resigned 31 August 2022)	4	4
L Brown	1	4
J Quinn	1	4
C Marjoram	2	4
L Harbottle	4	4

**Conflicts of interest**

Trustees complete an annual Register of Interests which is circulated at or prior to the meeting within the Autumn Term. Interests are declared at each individual meeting held throughout the year. A register is maintained and held within the academy trust and is published on the school website. Any Trustee who is new to the academy or is absent must complete the Register as soon as possible. The academy will declare or seek approval for an agreement or contract with a related party, before it is confirmed with the supplier.

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 4 times during the year. To maintain effective oversight of the funds the monthly management accounts are reviewed by the Chair of the Trust and uploaded on to the Trust's portal for all other Trustees to review on a monthly basis.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to review and consider the adequacy of the internal control's framework, including financial and non-financial controls along with audit and risk management arrangements, which is then reported back to the Trust Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Nixon	1	1
J Quinn	1	1
C Marjoram	1	1

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The audit and risk committee is combined with the Finance & General Purposes Committee to advise the Board on the adequacy of the Trusts internal control framework, including controls, risk management and consider the results and quality of external audit.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Nixon	1	1
J Quinn	1	1
C Marjoram	1	1

**Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Continuing to review staffing across the Trust, across all areas of the schools, in relation to timetabling, support and office business demands.
- Annually reviewing staffing structures across the Trust
- Reviewing support staff contracts and redeployment to maximize working hours for the benefit of students
- Continuing to review all supplies and services to identify areas for greater efficiencies and economies of scale across the Trust
- Regularly benchmarking our schools to similar academies
- Buying into DfE recommended national deals to ensure we are receiving value for money
- Ensure full costs are supported by full funding from Local Authority for students with special needs

**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 academy 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 Discover Learning Trust for the year 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 academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 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

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

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
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed MHA Tait Walker (acquired by Azets on 3 April 2022) for additional mid-year internal assurance checks.

This option has been chosen because the revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of cash income
- testing of HR procedures
- testing of petty cash, expenses and debit & credit card expenditure
- testing of fixed assets
- testing of GDPR regulations

On an annual basis, the internal assurance provider reports to the Board of Trustees, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal assurance 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.

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

As Accounting Officer, the Chief Executive Officer 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 external auditors;
- the work of the internal assurance provider;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

As part of the Trust programme of internal assurance a mid-year audit was arranged through MHA Tait Walker (acquired by Azets on 30 April 2022), Accountants. Their findings concluded there were no actions or recommendations to follow up on. Please see table below for areas tested and outcomes:

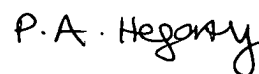
Area Ref	Area Tested	Controls are well designed and fit for purpose	Controls are applied effectively	Low weakness identified (Yellow)	Medium weakness identified (Amber)	High weakness identified (Red)	Status
1.3	Cash Income	✓	✓	0	0	0	●
2.1	Purchases & Payments	✓	✓	0	0	0	●
2.2	Petty Cash, Expenses and Debit & Credit Card Expenditure	✓	✓	0	0	0	●
3.1	Payroll	✓	✓	0	0	0	●
3.2	HR Procedures	✓	✓	0	0	0	●
4.1	Bank and Cash Management	✓	✓	0	0	0	●
5.1	Fixed Assets	✓	✓	0	0	0	●
10.1	General Data Protection Regulations (GDPR)	✓	✓	0	0	0	●
12.1	Review of Implementation of Recommendations	✓	✓	0	0	0	●
	<b>Total</b>			0	0	0	

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

**L Williams**  
Chair of Trustees  
Date: 6 December 2022



**P Hegarty**  
Accounting Officer



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Discover Learning Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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.

**P Hegarty**  
Accounting Officer  
Date: 6 December 2022

*P. A. Hegarty*

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**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;
- 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 DfE/ESFA have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:

**L Williams**  
Chair



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DISCOVER LEARNING TRUST**

**Opinion**

We have audited the financial statements of Discover Learning Trust (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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of Trustees**

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

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

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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



**Gary Ellis BA BFP FCA (Senior Statutory Auditor)**

for and on behalf of  
**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

Kepier House

Belmont Business Park

Durham

DH1 1TW

6 December 2022

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVER  
LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 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 Discover Learning Trust 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 Discover Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Discover Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discover Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Discover Learning Trust's Accounting Officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Discover Learning Trust's funding agreement with the Secretary of State for Education dated 1 November 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.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of the annual Internal Assurance report;
- Completion of self assessment questionnaire by Accounting officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/ hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meeting held; and
- Review whether there is a risk register in place.

**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.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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



**Clive Owen LLP**  
Reporting Accountant  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW

Date: 6 December 2022

**DISCOVER LEARNING TRUST**  
(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	Total funds 2021 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	-	-	419	419	254
Charitable activities	4	262	8,926	-	9,188	8,549
Other trading activities	5	165	-	-	165	137
Investments	6	1	-	-	1	1
<b>Total income</b>		<b>428</b>	<b>8,926</b>	<b>419</b>	<b>9,773</b>	<b>8,941</b>
<b>Expenditure on:</b>						
Charitable activities		273	9,468	784	10,525	9,535
<b>Total expenditure</b>		<b>273</b>	<b>9,468</b>	<b>784</b>	<b>10,525</b>	<b>9,535</b>
<b>Net income/(expenditure)</b>		<b>155</b>	<b>(542)</b>	<b>(365)</b>	<b>(752)</b>	<b>(594)</b>
Transfers between funds	17	-	(289)	289	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>155</b>	<b>(831)</b>	<b>(76)</b>	<b>(752)</b>	<b>(594)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	5,758	-	5,758	(51)
<b>Net movement in funds</b>		<b>155</b>	<b>4,927</b>	<b>(76)</b>	<b>5,006</b>	<b>(645)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,579	(4,621)	9,578	6,536	7,181
Net movement in funds		155	4,927	(76)	5,006	(645)
<b>Total funds carried forward</b>		<b>1,734</b>	<b>306</b>	<b>9,502</b>	<b>11,542</b>	<b>6,536</b>

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08249250**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	13	9,195	9,577
		<u>9,195</u>	<u>9,577</u>
<b>Current assets</b>			
Debtors	14	734	326
Cash at bank and in hand		2,148	1,960
		<u>2,882</u>	<u>2,286</u>
Creditors: amounts falling due within one year	15	(599)	(427)
<b>Net current assets</b>		<u>2,283</u>	<u>1,859</u>
<b>Total assets less current liabilities</b>		<u>11,478</u>	<u>11,436</u>
Creditors: amounts falling due after more than one year	16	(65)	(87)
<b>Net assets excluding pension asset / liability</b>		<u>11,413</u>	<u>11,349</u>
Defined benefit pension scheme asset / liability	25	129	(4,813)
<b>Total net assets</b>		<u><u>11,542</u></u>	<u><u>6,536</u></u>



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08249250**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	9,502	9,578
Restricted income funds	17	177	192
Restricted funds excluding pension liability / asset	17	9,679	9,770
Pension reserve	17	129	(4,813)
<b>Total restricted funds</b>	17	9,808	4,957
<b>Unrestricted income funds</b>	17	1,734	1,579
<b>Total funds</b>		<u>11,542</u>	<u>6,536</u>

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:

**L Williams**  
(Chair of Trustees)

The notes on pages 33 to 61 form part of these financial statements.



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	552	609
<b>Cash flows from investing activities</b>	21	(342)	(397)
<b>Cash flows from financing activities</b>	20	(22)	(21)
<b>Change in cash and cash equivalents in the year</b>		188	191
Cash and cash equivalents at the beginning of the year		1,960	1,769
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>2,148</u>	<u>1,960</u>

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Discover Learning Trust meets the definition of a public benefit entity under FRS 102.

**1.2 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.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income**

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

**– Grants**

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

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

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

**– Donations**

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

**– Other income**

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

**– Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

**– Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 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.

**1.6 Tangible fixed assets**

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

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

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

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Leasehold land and buildings	- over 20 years and 125 years
Furniture and fixtures	- over 5 years
Computer equipment	- over 3 years
Motor vehicles	- over 4 years

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.

**1.7 Operating leases**

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

**1.8 Interest receivable**

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

**1.9 Taxation**

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

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

**1.10 Debtors**

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

**1.11 Cash at bank and in hand**

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

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.12 Liabilities and provisions**

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

**1.13 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 14. 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 15 and 16. 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.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Concessionary loans**

The academy trust has opted to initially recognise and measure concessionary loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.



**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**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 25, 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.

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £8,000 which has been assessed to be immaterial to the financial statements.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £784,000.

Critical areas of judgment:

Land – Land is held under a 125 year lease from Sunderland City Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major modification.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**3. Income from donations and capital grants**

	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	30	30	225
Capital grants	389	389	29
	<u>419</u>	<u>419</u>	<u>254</u>
Total 2021	<u>254</u>	<u>254</u>	

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**4. Funding for the academy trust's educational operations**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,501	7,501	6,841
Other DfE/ESFA grants				
Pupil Premium	-	477	477	465
PE and Sport Premium	-	18	18	18
UIFSM	-	19	19	21
Rates	-	29	29	29
Teachers' pay grant	-	-	-	86
Teachers' pension grant	-	-	-	245
Other	-	104	104	69
	-	8,148	8,148	7,774
<b>Other Government grants</b>				
SEN	-	374	374	297
Local Authority grants	-	154	154	79
	-	528	528	376
<b>Other income from the academy trust's educational operations</b>	262	8	270	261
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	138
Other DfE/ESFA COVID-19 funding	-	155	155	-
	-	155	155	138
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other COVID-19 funding	-	87	87	-
	-	87	87	-
	262	8,926	9,188	8,549
<b>Total 2021</b>	188	8,361	8,549	

**DISCOVER LEARNING TRUST**  
(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
Income from facilities and services	42	42	17
Non student catering income	8	8	5
Receipts from supply teaching insurance claims	28	28	10
RPA Claims	8	8	-
Other	79	79	105
	<u>165</u>	<u>165</u>	<u>137</u>
Total 2021	<u>137</u>	<u>137</u>	

**6. Investment income**

	Total funds 2022 £000	Total funds 2021 £000
Bank interest received	<u>1</u>	<u>1</u>

**7. Expenditure**

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy trust's educational operations:					
Direct costs	7,114	-	502	7,616	6,702
Allocated support costs	989	1,091	829	2,909	2,833
<b>Total 2022</b>	<u>8,103</u>	<u>1,091</u>	<u>1,331</u>	<u>10,525</u>	<u>9,535</u>
Total 2021	<u>7,407</u>	<u>1,085</u>	<u>1,043</u>	<u>9,535</u>	

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**7. Expenditure (continued)**

In 2022 of the total expenditure £273,000 (2021 - £155,000) was to unrestricted funds, £9,468,000 (2021 - £8,636,000) was to restricted funds and £784,000 (2021 - £744,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable assets
- Cash losses

There were no ex-gratia payments in the year.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy trust's educational operations	7,616	2,909	10,525	9,535
	<u>7,616</u>	<u>2,909</u>	<u>10,525</u>	<u>9,535</u>
Total 2021	6,702	2,833	9,535	
	<u>6,702</u>	<u>2,833</u>	<u>9,535</u>	

**Analysis of direct costs**

	Total funds 2022 £000	Total funds 2021 £000
Staff costs	7,114	6,352
Educational supplies	275	178
Examination fees	78	76
Staff development	24	14
Technology costs	14	16
Educational consultancy	79	48
Other costs	32	18
	<u>7,616</u>	<u>6,702</u>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2022 £000	Total funds 2021 £000
Net interest cost on pension scheme	80	68
Staff costs	989	1,055
Depreciation	784	744
Technology costs	110	112
Staff expenses	10	5
Transport	36	69
Maintenance of premises	117	113
Cleaning	18	23
Other premises costs	29	38
Energy	191	115
Rent and rates	29	29
Insurance	30	30
Operating lease rentals	5	6
Catering	220	155
Legal costs - other	1	-
Other costs	234	250
Governance costs	26	21
	<u>2,909</u>	<u>2,833</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	5	6
Depreciation of tangible fixed assets	784	744
Fees paid to auditors for:		
- audit	14	11
- other services	1	1
	<u>800</u>	<u>862</u>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	5,499	5,154
Social security costs	566	507
Pension costs	1,862	1,612
	<hr/> 7,927	<hr/> 7,273
Agency staff costs	176	134
	<hr/> 8,103	<hr/> 7,407
	<hr/> <hr/>	<hr/> <hr/>

Included within operating costs of defined pension schemes is a charge of £736,000 (2021: £547,000) relating to the pension asset / deficit actuarial adjustment.

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	74	74
Administration and support	103	101
Management	8	8
	<hr/> 185	<hr/> 183
	<hr/> <hr/>	<hr/> <hr/>



**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**10. Staff (continued)**

**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	2	4
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1
	<u>          </u>	<u>          </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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £701,000 (2021 £676,000).

**11. 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 £000	2021 £000
A Cunningham, Chief Executive Officer and Accounting Officer	Remuneration	30 - 35	30 - 35
	Pension contributions paid	Nil	0 - 5

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**12. Trustees' and Officers' insurance**

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

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**13. Tangible fixed assets**

	Leasehold property £000	Motor vehicles £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2021	14,104	26	396	559	15,085
Additions	177	-	108	117	402
Disposals	-	-	(9)	(31)	(40)
At 31 August 2022	14,281	26	495	645	15,447
<b>Depreciation</b>					
At 1 September 2021	4,798	26	260	424	5,508
Charge for the year	638	-	55	91	784
On disposals	-	-	(9)	(31)	(40)
At 31 August 2022	5,436	26	306	484	6,252
<b>Net book value</b>					
At 31 August 2022	8,845	-	189	161	9,195
At 31 August 2021	9,306	-	136	135	9,577

**14. Debtors**

	2022 £000	2021 £000
<b>Due within one year</b>		
Trade debtors	11	1
VAT recoverable	97	61
Prepayments and accrued income	626	264
	734	326

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**15. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Trade creditors	249	67
Other taxation and social security	169	131
Other creditors	29	29
Accruals and deferred income	152	200
	<u>599</u>	<u>427</u>
	2022 £000	2021 £000
Deferred income at 1 September 2021	28	36
Resources deferred during the year	19	28
Amounts released from previous periods	(28)	(36)
<b>Deferred Income at 31 August 2022</b>	<u>19</u>	<u>28</u>

As at the Balance Sheet date the academy trust was holding funds for Universal Infant Free School Meals, School Trips income, and Charity income which straddle the academic year.

**16. Creditors: Amounts falling due after more than one year**

	2022 £000	2021 £000
Other creditors	<u>65</u>	<u>87</u>

Included in other creditors are three loans from Salix which is provided on the following terms:

- Interest free loan of £85,000 repayable through GAG in 6-monthly instalments of £5,321 from March 2018.
- Interest free loan of £39,000 repayable through GAG in 6-monthly instalments of £2,463 from March 2019.
- Interest free loan of £49,000 repayable through GAG in 6-monthly instalments of £3,078 from March 2019.

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
General funds	1,579	428	(273)	-	-	1,734
<b>Restricted general funds</b>						
General Annual Grant (GAG)	127	7,501	(7,162)	(289)	-	177
Pupil Premium	-	477	(477)	-	-	-
Other DfE/ESFA grants	-	170	(170)	-	-	-
COVID-19 funding	65	242	(307)	-	-	-
Other government grants	-	154	(154)	-	-	-
SEN	-	374	(374)	-	-	-
Other income	-	8	(8)	-	-	-
Pension reserve	(4,813)	-	(816)	-	5,758	129
	<u>(4,621)</u>	<u>8,926</u>	<u>(9,468)</u>	<u>(289)</u>	<u>5,758</u>	<u>306</u>
<b>Restricted fixed asset funds</b>						
Legacy assets	7,231	-	(517)	-	-	6,714
Devolved Formula Capital	108	29	(43)	-	-	94
Condition Improvement Fund	1,205	360	(72)	-	-	1,493
Capital expenditure from GAG	836	-	(108)	289	-	1,017
Donated - ESFA	127	-	(6)	-	-	121
Donated - LA	71	30	(38)	-	-	63
	<u>9,578</u>	<u>419</u>	<u>(784)</u>	<u>289</u>	<u>-</u>	<u>9,502</u>
<b>Total Restricted funds</b>	<u>4,957</u>	<u>9,345</u>	<u>(10,252)</u>	<u>-</u>	<u>5,758</u>	<u>9,808</u>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds (continued)**

<b>Total funds</b>	6,536	9,773	(10,525)	-	5,758	11,542
--------------------	-------	-------	----------	---	-------	--------

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Universal Infant Free School Meals (included within Other DfE/ESFA Grants) is funding to provide a free school lunch to all pupils in reception, year 1 and year 2.

Other DfE/ESFA Grants also includes the PE and sport premium grant, supplementary grant and rates relief.

The COVID-19 Recovery Premium must be spent on activities to support pupils' education recovery.

SEN funding is additional funding for pupils with special educational needs.

Other Government grants include Early Years funding for three and four year old children, and other income from the Local Authority.

Other income includes the Rise Sport grant.

The pension reserves is an asset / liability. Further details are shown in note 25.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

A transfer of £289,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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.

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**17. Statement of funds (continued)**

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds - all funds	1,408	326	(155)	-	-	1,579
<b>Restricted general funds</b>						
General Annual Grant (GAG)	121	6,843	(6,568)	(269)	-	127
Pupil Premium	-	465	(465)	-	-	-
Other DfE/ESFA grants	-	468	(468)	-	-	-
Other Government grants	-	79	(79)	-	-	-
SEN	-	297	(297)	-	-	-
COVID-19 funding	-	137	(72)	-	-	65
Other income	-	72	(72)	-	-	-
Pension reserve	(4,147)	-	(615)	-	(51)	(4,813)
	<u>(4,026)</u>	<u>8,361</u>	<u>(8,636)</u>	<u>(269)</u>	<u>(51)</u>	<u>(4,621)</u>
<b>Restricted fixed asset funds</b>						
Legacy assets	7,747	-	(516)	-	-	7,231
Devolved Formula Capital	120	29	(41)	-	-	108
Condition Improvement Fund	1,277	-	(72)	-	-	1,205
Capital expenditure from GAG	655	-	(88)	269	-	836
Donated - ESFA	-	130	(3)	-	-	127
Donated - LA	-	95	(24)	-	-	71
	<u>9,799</u>	<u>254</u>	<u>(744)</u>	<u>269</u>	<u>-</u>	<u>9,578</u>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds (continued)**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Total Restricted funds</b>	5,773	8,615	(9,380)	-	(51)	4,957
<b>Total funds</b>	7,181	8,941	(9,535)	-	(51)	6,536

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Oxclose Community Academy	1,577	1,399
Oxclose Primary Academy	334	372
Total before fixed asset funds and pension reserve	1,911	1,771
Restricted fixed asset fund	9,502	9,578
Pension reserve	129	(4,813)
<b>Total</b>	<b>11,542</b>	<b>6,536</b>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**17. 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	Total 2021 £000
Oxclose Community Academy	5,509	833	217	1,078	7,637	7,588
Oxclose Primary Academy	869	156	58	205	1,288	1,203
<b>Academy trust</b>	<b>6,378</b>	<b>989</b>	<b>275</b>	<b>1,283</b>	<b>8,925</b>	<b>8,791</b>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	9,195	9,195
Current assets	1,748	827	307	2,882
Creditors due within one year	(14)	(585)	-	(599)
Creditors due in more than one year	-	(65)	-	(65)
Provisions for liabilities and charges	-	129	-	129
<b>Total</b>	<b>1,734</b>	<b>306</b>	<b>9,502</b>	<b>11,542</b>



**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	9,577	9,577
Current assets	1,892	393	1	2,286
Creditors due within one year	(313)	(114)	-	(427)
Creditors due in more than one year	-	(87)	-	(87)
Provisions for liabilities and charges	-	(4,813)	-	(4,813)
<b>Total</b>	<b>1,579</b>	<b>(4,621)</b>	<b>9,578</b>	<b>6,536</b>

**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(752)	(594)
<b>Adjustments for:</b>		
Depreciation	784	744
Capital grants from DfE and other capital income	(59)	(124)
Defined benefit pension scheme cost less contributions payable	736	547
Defined benefit pension scheme finance cost	80	68
Increase in debtors	(408)	(77)
Increase in creditors	172	46
Dividends, interest and rents from investments	(1)	(1)
<b>Net cash provided by operating activities</b>	<b>552</b>	<b>609</b>

**20. Cash flows from financing activities**

	2022 £000	2021 £000
Salix loan repayments	(22)	(21)
<b>Net cash used in financing activities</b>	<b>(22)</b>	<b>(21)</b>

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**21. Cash flows from investing activities**

	2022 £000	2021 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible assets	(402)	(522)
Capital grants from DfE Group	59	124
<b>Net cash used in investing activities</b>	<b>(342)</b>	<b>(397)</b>

**22. Analysis of cash and cash equivalents**

	2022 £000	2021 £000
Cash in hand and at bank	2,148	1,960
<b>Total cash and cash equivalents</b>	<b>2,148</b>	<b>1,960</b>

**23. Analysis of changes in net debt**

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	1,960	188	2,148
	<b>1,960</b>	<b>188</b>	<b>2,148</b>

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**24. Capital commitments**

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	527	-

**DISCOVER LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**25. 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 Tyneside 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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.

The employer's pension costs paid to TPS in the year amounted to £829,000 (2021 - £794,000).

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

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

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £402,000 (2021 - £367,000), of which employer's contributions totalled £295,000 (2021 - £268,000) and employees' contributions totalled £ 107,000 (2021 - £99,000). The agreed contribution rates for future years are 16.4% for employers and 5.5 - 9.9% for employees.

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

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.70	2.60
Commutation of pensions to lump sums	75.00	75.00

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

	2022 Years	2021 Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate +0.1%	(210)	(332)
Discount rate -0.1%	219	345
Mortality assumption - 1 year increase	(227)	(472)
Mortality assumption - 1 year decrease	227	485
CPI rate +0.1%	178	281
CPI rate -0.1%	(170)	(268)

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**25. Pension commitments (continued)**

**Share of scheme assets**

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

	2022 £000	2021 £000
Equities	4,424	4,423
Government bonds	132	167
Corporate bonds	1,530	1,599
Property	913	637
Cash and other liquid assets	148	318
Other	1,077	812
<b>Total market value of assets</b>	<u>8,224</u>	<u>7,956</u>

The actual return on scheme assets was £107,000 (2021 - £1,258,000).

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

	2022 £000	2021 £000
Current service cost	(1,031)	(815)
Interest income	138	113
Interest cost	(218)	(181)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(1,111)</u>	<u>(883)</u>

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

	2022 £000	2021 £000
<b>At 1 September</b>	12,769	10,726
Current service cost	1,031	815
Interest cost	218	181
Employee contributions	107	99
Actuarial (gains)/losses	(6,003)	1,196
Benefits paid	(27)	(248)
<b>At 31 August</b>	<u>8,095</u>	<u>12,769</u>

**DISCOVER LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**25. Pension commitments (continued)**

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

	2022 £000	2021 £000
<b>At 1 September</b>	7,956	6,579
Interest income	138	113
Actuarial (losses)/gains	(245)	1,145
Employer contributions	295	268
Employee contributions	107	99
Benefits paid	(27)	(248)
<b>At 31 August</b>	8,224	7,956

**26. 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 Academy Trust 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.

**Expenditure Related Party Transactions**

Beacon of Light School - a company in which L Brown is a Trustee.

- The academy trust purchased services from Beacon of Light School totalling £8,103 (2021: NIL). There were no outstanding amounts at 31 August 2022 (2021: £ Nil).
- The academy trust made the purchase at arms length.
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

**Income Related Party Transactions**

The Link School - an organisation in which A Cunningham is co-opted Chair

- The academy trust sold services to The Link School totalling £7,438 (2021: £17,000). There was £1,438 outstanding at 31 August 2022 (2021: £nil)
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.