

The David Ross Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2022



Company Registration Number:
06182612 (England and Wales)

The David Ross Education Trust

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The David Ross Education Trust

Reference and Administrative Details

Members

The Ross Foundation
D Ross
D Overton
The Peterborough Diocese Church Schools Trust
C Houlding (from 6 January 2022)

Trustees (Directors)

D Ross (chairman)
P Cantley
C Counsell
R Emerton
D Hall
J Hoareau
N Langstaff
T Maloney
M Oliver

N Gibb was appointed as a Trustee on 1 September 2022 but subsequently resigned on 27 October 2022 following his decision to return to a ministerial role at the DfE.

Company Secretary

M Maltby

Senior Management Team during the year

Chief Executive Officer
Deputy Chief Executive Officer and Head of Secondary Education
Head of Primary Education
Head of Estates, Facilities and Administration
Chief People Officer
Chief Finance Officer

S Burns
M Neild
S Rose
J French (from 6 December 2021)
R Ridgill
J Spencer

Company Name

The David Ross Education Trust

Principal and Registered Office

Charnwood College
Thorpe Hill
Loughborough
Leicestershire
LE11 4SQ

Company Registration Number

06182612 (England and Wales)

Independent Auditor

Bishop Fleming LLP
Registered Auditor
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN

The David Ross Education Trust

Reference and Administrative Details

Bankers

Lloyds Bank plc
65 High Street
Stamford
Lincolnshire
PE9 2AT

Solicitors

Stone King Sewell LLP
13 Queen Square
Bath
Somerset
BA1 2HJ

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report and strategic report under company law.

The academy trust operates 34 academies, being a mixture of primary and secondary academies, as well as one all-through school; one special school and several pre-school settings within some of the Trust's primaries. The Trust's academies are geographically focused in the East Midlands. The academies will have a combined pupil capacity of 16,800 (excluding pre-school settings) once all cohorts at the Trust's free schools are full and had a roll of 14,317 in the school census on 1st October 2022 (2021: 13,964).

This year saw a return to schools being fully open for the entire year, following two previous years of partial closures due to COVID restrictions, and also a return to public examinations. The Trust's COVID recovery programme has continued to focus on six priorities:

- training and retaining great teachers;
- investing in targeted small-group teaching and one-to-one tutoring;
- investing in additional capacity to accommodate the national rise in safeguarding and mental health concerns;
- return and enhancement of residential trips and activities to build resilience;
- becoming a leading trust nationally for our commitment to all young people reading high quality fiction;
- further enhancing our belief in the importance of music and sport in young people's lives through a growing cohort of sports enrichment officers and resident music specialists.

Overall, the trustees are delighted with the progress made during the year on all fronts. The Trust has continued to execute on its strategy to improve educational delivery and pupil outcomes and provided continued support to pupils, their families and communities.

From a financial point of view, the Trust continued the progress made in the preceding two years in improving its financial position by achieving a £2.6m in-year revenue surplus, bringing the Trust to an overall revenue reserves surplus of £5.3m at the end of the year.

Objectives and Activities

Objects and Aims

The objects of the Trust, as set out in its Articles of Association, are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies offering broad curricula, including collaboration with other schools and the wider community to share expertise and resources; and
- to promote for the benefit of the inhabitants of the areas in which the academies are situated and the surrounding areas, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants, provided that such activities are not detrimental to the ethos and character of any of the academies.

During the year ended 31 August 2022 the principal activity of the charitable company was the operation of 34 academies across Yorkshire, Lincolnshire, Northamptonshire, Leicestershire and London. This is broken down as follows:

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Primary Academies	22
Secondary Academies	10
All-through Academies	1
Special Academies	1

The Trust's largest secondary academy, Malcolm Arnold Academy in Northampton, has circa 1,400 pupils, whilst the smallest, Charles Read Academy in Lincolnshire, has just over 280. The average number of pupils on roll in the Trust's secondary academies during the year, based on the October 2021 census, was 725 (October 2020: 699).

In the primary phase, the Trust has inner-city academies such as Wold Academy in Hull with approaching 450 pupils on roll, as well as smaller rural schools such as Ingoldsby Academy in Lincolnshire, with fewer than 50 pupils. The average number of pupils on roll in the Trust's primary academies excluding pre-school provision, based on the October 2021 census, was 261 (October 2020: 265).

The Trust's all-through academy, Bobby Moore Academy, opened in London in September 2017. At the October 2021 census, the number of pupils on roll was 893 (October 2020: 719) out of a total available capacity of 1,140 (October 2020: 900). Once all cohorts are operating, the total capacity of this academy will be 1,560 including a sixth form of 240 places.

In operating these academies, the charitable company has entered into a series of funding agreements with the Secretary of State for Education. The agreements specify, amongst other things, the basis for admitting pupils to the academies and that the curriculum must be balanced and broadly based.

Objectives, Strategies and Activities

The David Ross Education Trust was established in 2007 to enable the vision of The Ross Foundation for broadening young people's horizons to be delivered through its academies.

The Trust's mission is to broaden the horizons of young people through a world-class education. The Trust aims to deliver this through the following strategic priorities:

- **Academic excellence and ambition:** excellent academic outcomes for all our pupils, no matter what, with pupils' academic ambitions inspired by outstanding teaching and a stimulating, challenging curriculum.
- **An outstanding all-round education:** life-changing experiences that develop the confidence and skills that stay with pupils for life, which open pupils' eyes to the world around them to help them discover their talents and passions.
- **School of choice in our communities:** schools that exhibit with the following characteristics – Ofsted 'outstanding' schools, exceptional teachers, strong pupil admissions demand and strong parental and governor advocacy.

Public Benefit

In setting the Trust's objectives and planning activities, the trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Many of the Trust's academies serve financially disadvantaged areas of the country. Pupils are admitted in accordance with the admissions policies agreed with the Department for Education (DfE), which are based on each academy's catchment area and published on each academy's website.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Strategic Report

Achievements and Performance

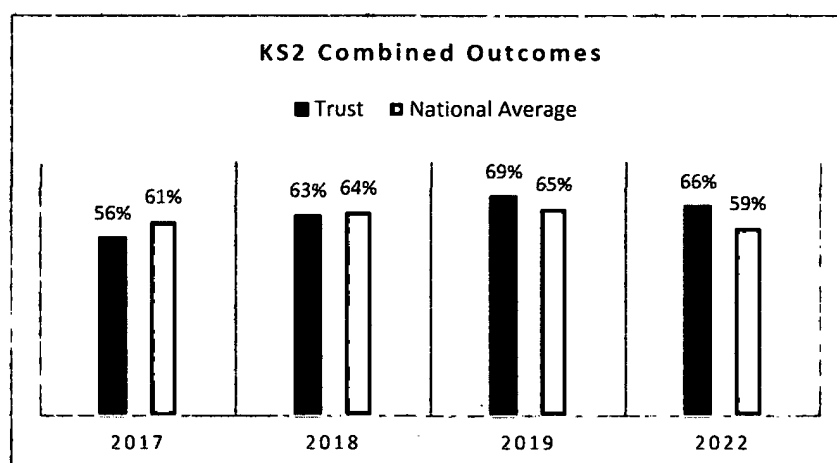
Key Performance Indicators

The Trust's academic performance is usually measured by national performance tables based on public examinations covering KS2, KS4 and KS5. Other key performance indicators are Ofsted ratings, pupil numbers and participation in enrichment activities.

Academic Outcomes - Primaries

Over the last few years, the Trust's primary schools have, on average, delivered a significant and sustained improvement in Key Stage 2 combined Reading, Writing and Maths results, achieving in a trust-wide average score of 69% in 2019, 4% ahead of national average. This improvement was achieved through a focus on implementing a knowledge-led curriculum, delivered in a teacher-led instructional style, against a backdrop of high standards of behaviour.

In 2022, assessments resumed following two years of cancellation due to the COVID pandemic. Trustees are delighted to report that 66% of Year 6 pupils achieved the expected standard in all of reading, writing and maths, exceeding national average by 7%. This improvement reflects the hard work and dedication shown by staff throughout the pandemic to ensure learning continued as far as possible during periods of school closure, and effective recovery support was put in place when school-based learning was able to resume.



Academic Outcomes - Secondaries

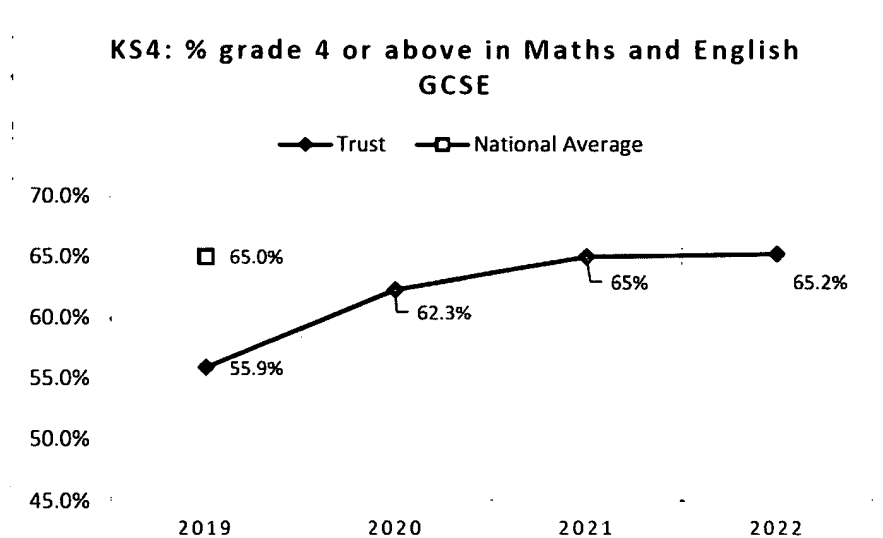
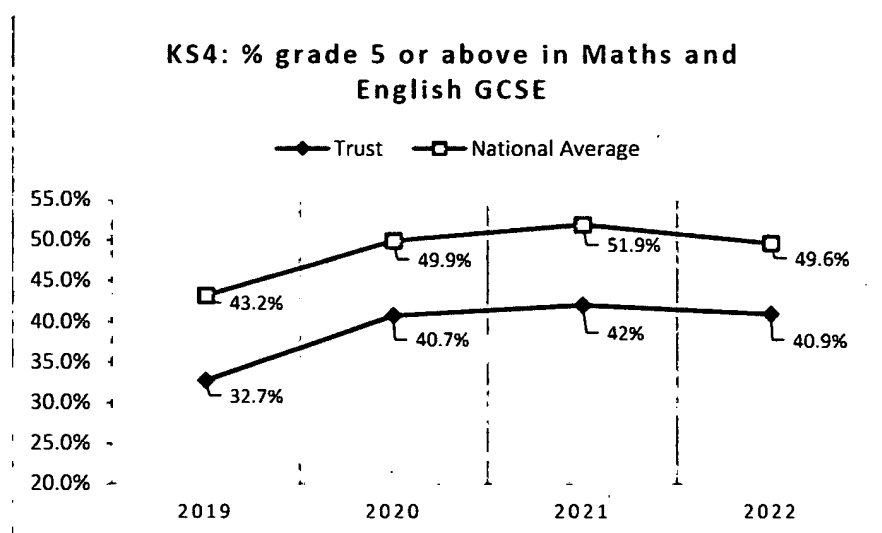
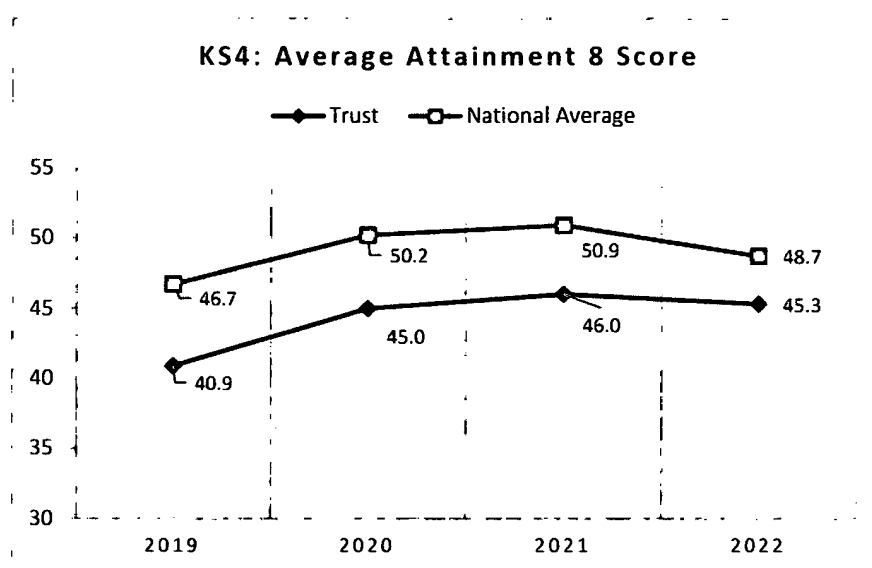
In the Trust's secondaries, following recruitment of a central team of trust-wide subject leads over the course of 2018/19 and investment in improving the quality and consistency of curricula, a trust-wide approach to teaching and learning and pupil behaviour was implemented across all academies from September 2019. This draws on Rosenshine's Principles of Instruction. Trustees are confident that this approach, similar to that proven to be successful in the Trust's primary schools, will deliver the required improvement in academic outcomes needed across the Trust's secondary phase, both in terms of absolute results and Progress 8 measures.

As with Key Stage 2 tests, GCSE and GCE examinations for 2020 and 2021 were cancelled due to the pandemic and instead, teachers in the Trust's school rigorously and carefully applied the national approach to provide Centre-Assessed Grades and rankings for each pupil, for each subject. In line with national trends, the Trust's Key Stage 4 outcomes for 2020 and 2021 were inflated compared with pre-pandemic years and therefore it was difficult to benchmark the Trust's results against national outcomes.

Following the return to examinations for 2022, trustees are pleased to report that this year's results indicate that the Trust's investment in improving secondary outcomes has started to deliver results with the gap to national average having closed since 2019 (no recent benchmark data available for grade 4+ in Maths and English).

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Trustees are hopeful that this gap will continue to close over future years as improvements made become strongly embedded and pupils entering examination years benefit from an increasing number of years of exposure to the improved curricula and approach to teaching.

Key Stage 5 awarded results showed a fall compared with 2020 and 2021, but progress compared with pre-pandemic examination-based results from 2019.

	2019	2020	2021	2022
Average A-level / Academic Point Score	28.4	36.0	39.0	29.5
Average A-level / Academic Grade	C	B-	B	C
Vocational / Applied Average Grade	Merit +	Distinction	Distinction +	Distinction -

Ofsted Ratings

Seven of the Trust's academies received visits from Ofsted during the year and the outcomes were all positive, recognising the improvements which have been achieved, or confirming continued good and outstanding provision. Trustees are delighted to report that Bobby Moore Academy achieved a 'Good' rating for its first Ofsted inspection since opening and Skegness Grammar School's rating was upgraded to 'Good'.

A summary of Ofsted Ratings and movements during the year is shown below (Bobby Moore Academy was excluded at 31 August 2021 as it had not yet been inspected):

	Outstanding	Good	Requires Improvement	Inadequate	Total
At 31 August 2022					
Primaries	2	19	-	1	22
Secondaries	1	5	4	-	10
All-through	-	1	-	-	1
Special School	1	-	-	-	1
Total	4	25	4	1	34
At 31 August 2021					
Primaries	2	19	-	1	22
Secondaries	1	4	5	-	10
Special School	1	-	-	-	1
Total	4	23	5	1	33
Movement					
Primaries	-	-	-	-	-
Secondaries	-	+1	-1	-	-
All-through	-	+1	-	-	+1
Special School	-	-	-	-	-
Total	-	+2	-1	-	+1

Thomas Hinderwell Primary Academy, which is the Trust's only academy with an 'Inadequate' rating, received its last monitoring visit in May 2021 which reported that effective action was being undertaken.

The Trust has continued to receive positive judgements from Ofsted after the end of the year being reported. Charnwood College was inspected in September 2022, achieving an improved rating of 'Good'. Briar Hill Primary School, which was named TES Primary School of the Year 2022, was inspected in November 2022 and achieved an improved rating of 'Outstanding'. Six other academies have also been visited since year-end and all retained

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

their 'Good' ratings. A summary of the latest position, reflecting inspections which have taken place since 31 August 2022, is shown below:

	Outstanding	Good	Requires Improvement	Inadequate	Total
At 15 December 2022					
Primaries	3	18	-	1	22
Secondaries	1	6	3	-	10
All-through	-	1	-	-	1
Special School	1	-	-	-	1
Total	5	25	3	1	34

Teaching School Hub

In February 2021, the Trust's Humberston Academy in Grimsby was designated as a Teaching School Hub, a centre of excellence for teachers' and leaders' professional development serving North Lincolnshire and North-East Lincolnshire.

During the year ended 31 August 2022:

- 227 school leaders undertook NPQ training through the hub;
- 134 Early Career Teachers were supported in their professional development;
- 99 schools accessed CPD from the hub;
- 141 schools or their staff engaged in some way with the hub.

Recovery following the COVID-19 pandemic

Trustees are pleased that, following two years during which schools had to be fully or partially closed for periods of time due to the pandemic, all schools were able to return to full opening for the year ended 31 August 2022.

Despite the tireless efforts of staff during the pandemic to ensure that pupils continued to engage in their learning remotely and also to support pupils from a pastoral perspective, as expected, the disruption caused by the pandemic has presented a range of ongoing impacts and challenges for pupils and staff.

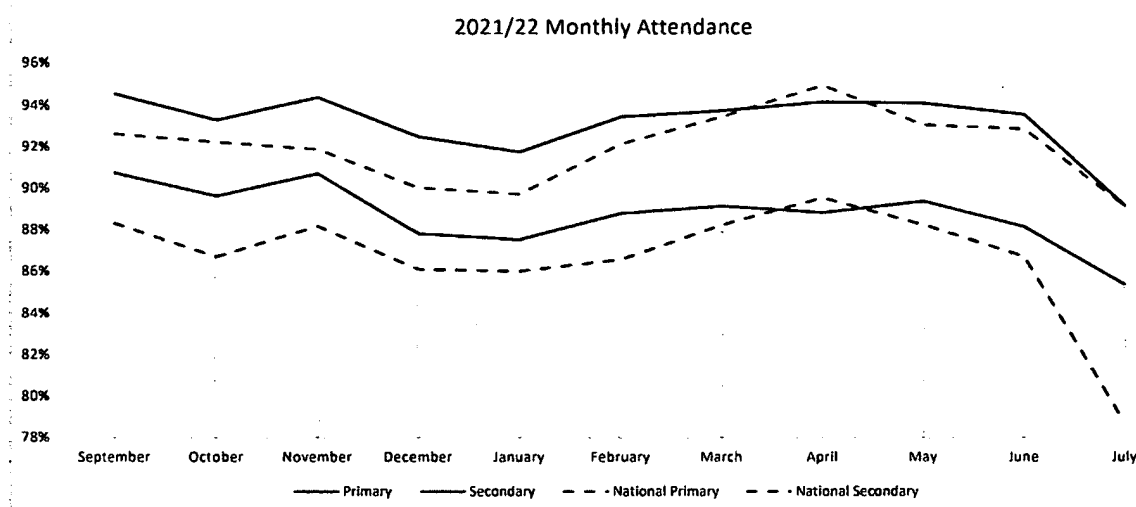
The Trust's ongoing COVID recovery programme, which will continue into the following year, has focused on six priorities:

- training and retaining great teachers;
- investing in targeted small-group teaching and one-to-one tutoring;
- investing in additional capacity to accommodate the national rise in safeguarding and mental health concerns;
- return and enhancement of residential trips and activities to build resilience;
- becoming a leading trust nationally for our commitment to all young people reading high quality fiction;
- further enhancing our belief in the importance of music and sport in young people's lives through a growing cohort of sports enrichment officers and resident music specialists.

In addition to the above, in keeping with the picture nationally, attendance has been a challenge this year as some pupils have struggled to return to school, post-pandemic. The Trust has invested in increasing resources focused on supporting school attendance throughout the year and whilst there is still more support needed and more work to do, trustees are pleased that the Trust made progress in 2021/22, relative to the national picture.

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The Trust continued to distribute supermarket vouchers to families eligible for benefits-related free school meals during holiday periods, where requested to do so by Local Authorities, as part of the Government's COVID-related Household Support Fund.

Following the success of 2021's summer schools which were funded by the DfE's Coronavirus summer schools programme funding, the Trust ran a similar programme of activities during the 2022 summer break, mainly for pupils who had just completed year 7. Almost 1,000 pupils participated in the Trust's 2022 summer schools programme which delivered a range of academic teaching as well as enrichment activities through a mixture of on-site and off-site offerings.

Enrichment

All academies offer a range of activities and experiences for their pupils, beyond that of the core academic curriculum, some of which are funded from donations and unrestricted income. Many of these activities now take place on a trust-wide basis, with staff and pupils from each of the Trust's academies coming together.

During the year, the Trust's sports enrichment programme continued to inspire our pupils through opportunities to participate, compete and excel in a range of sports. Following the removal of COVID-related restrictions when many events were held virtually, the Trust was delighted to be able to return to a full programme of in-person events.

- The 2021 Summer Cup which had been unable to be held at the end of the previous summer term due to COVID-related concerns, was successfully held in-person in September 2021. Then in summer 2022, the Trust hosted its first ever separate Primary Summer Cup and Secondary Summer Cup, which enabled increased participation compared with one single event.
- In addition to the Summer Cups, secondary academies competed in a range of trust-wide in-person events throughout the year including the Winter Cup, Spring Cup, Cross Country Cup, Girls Football Cup and Rounders Cup. Primary academies competed in Champions Day, the Running Cup and the Cross Country Cup.
- The trust-wide rowing programme was completed virtually once again, incorporating Rowvember, the Rowing Cup, All Stars and selected pupils entering the National Indoor Championships. The All Stars squad won two gold and two bronze medals at the National Championships.
- Secondary academies ran a total of 6,006 in-person enrichment club sessions, a 3,334 increase compared to the prior year. Alongside this, secondary academies contested 1,139 fixtures, resulting in 125,437 visits to clubs and fixtures by pupils throughout the academic year.

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Trustees' Report for the year ended 31 August 2022

- The Trust's All Stars programmes returned in football, netball and rugby, with games against the likes of Leicester City, Uppingham School and Boston United, before finishing the programme with a football tour in Norwich and netball tour in Wales.
- A new trust-wide lead for hockey joined the Trust and worked with primary schools across Northamptonshire to support lessons and after-school club delivery. They also led the primary hockey development days and sport association events.
- A new Hockey Development Programme launched at Malcolm Arnold Academy with weekly training and matches. Both the boys' and girls' teams qualified for the County Final for the first time, the girls ending as runners-up with the boys finishing fourth.
- The Malcolm Arnold Academy girls' football team won their County Cup.
- Our partnership with the British Paralympic Association continued to inspire pupils. Current and former Paralympian athletes Jody Cundy MBE and Emma Wiggs MBE led workshops at our Performance Conference and six athletes attended our three Summer Cup events during the year.
- Two former pupils were selected to represent Team England in table tennis at the 2022 Commonwealth Games in Birmingham along with former student Tom Jarvis.
- Our elite sport specialism in basketball at Charnwood College continued to run throughout the year with the addition of a new development squad. The boys' under 19 team were crowned EABL National Champions after defeating Myerscough College 83-74 in the final.

The Trust's enrichment programme also offers a range of opportunities incorporating the arts and music, which complement the Trust's music curriculum and co-curricular offer which includes daily music for all primary-phase pupils.

- The Primary Music Festival took place across six venues and involved all Year 5 students, who performed A Night at the Opera in partnership with Nevill Holt Opera, The Voices Foundation and the Royal Opera House.
- The Trust's relationship with Nevill Holt Opera continued through open access to dress rehearsals and pupils from Lodge Park Academy and Brighthurst Primary School performing as the Children's Chorus in La Boheme.
- The Voices Foundation supported the formation of primary choral networks, with choral practitioners coaching school choir leaders.
- The Royal Opera House facilitated 1,000 students (primary and secondary) to see Schools' Matinee performances of Romeo and Juliet and La traviata.
- The Secondary Music Festival moved to Nottingham's Albert Hall and featured at its centrepiece professional performances of student compositions by The Berkeley Ensemble. The group led the Spring Term Composition Challenge, with over one hundred GCSE and A-Level students composing for the ensemble; each student's composition was workshopped and performed by the ensemble in Northampton and Skegness before the most successful pieces were performed to a live audience of over 500 in Nottingham.
- Gabrieli Roar continues to be an important partnership for the Trust. The Malcolm Arnold Academy Chapel Choir sang in a specially-filmed version of Praetorius' Mass for Christmas Morning for the LIVE from London online series of concerts; pupils from Humberston Academy, Havelock Academy, Skegness Grammar School, King Edward VI Academy, Charnwood College, Lodge Park Academy and Malcolm Arnold Academy took part in performances of Haydn's Creation and Mendelssohn's Elijah during the year, the latter at the end of a residential at Oundle School.

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- The Trust's pilot scheme of Musicians-in-Residence in secondary schools saw three professional musicians make a significant impact in Grimsby, Skegness and Stratford, culminating in the DRET Musician of the Year competition held at the University of Nottingham.
- The Youth Music funded Brass Bands project began at Skegness Grammar School, Barnes Wallis Academy and King Edward VI Academy. Thomas Middlecott Academy pupils will join the programme in 2022/23. £24k of the grant remains unspent at 31 August 2022 and is expected to be spent in 2022/23, now that COVID-related restrictions have been lifted.

Key Financial Performance Indicators

The Trust's net movement in funds for the year comprises £2.6m in-year revenue surplus, £0.1m increase in fixed asset funds, £0.1m increase in permanent endowment funds and £45.9m reduction in restricted pension funds deficit.

	2021/22	2021/22	2020/21	2020/21
	£000	£000	£000	£000
Revenue income	91,921		85,730	
Revenue expenditure net of gain/(loss) on investment assets	(89,011)		(82,652)	
Transfer to Restricted Fixed Asset Funds	(157)		(374)	
Transfer to Permanent Endowment Funds	(105)		-	
Net revenue surplus/(deficit) for the year		2,648		2,704
Movement on restricted pension fund		45,893		(13,742)
Movement on Restricted Fixed Asset Funds		50		4,552
Movement on Permanent Endowment Funds		105		-
Net movement in funds		48,696		(6,486)

Note 18 to the financial statements provides further details on the funds carried forward and movements during the year.

The movement in restricted fixed asset funds during the year reflects the balance of capital income, partially offset by depreciation charges.

Financially, the Trust aims to operate each of its academies at least in a break-even position, and to develop a pool of financial resource that will be available to support enrichment and development activities, and to fund asset management priorities as they develop.

Going Concern

The ESFA's Academies Financial Handbook 2020 introduced the concept of financial sustainability, for which trustees must take ownership and which trustees have interpreted as relating to the three-year future planning period required to be shared with the ESFA.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In assessing this, the Finance and Resource Committee and the Trust Board have considered the budget for the year ending 31 August 2023 and the longer-term financial plan for the subsequent 2 years, which sets out a plan to achieve an in-year surplus in each future financial year. The Trust's budget setting and resource allocation is based on the curriculum-led need for each academy. The Finance and Resource Committee has also considered the cash flow forecast up to 31 August 2025 and the income and expenditure result for the first two months of the year ending 31 August 2023.

The trustees have considered the risks to achievement of the budget and longer-term plan and consider the budget and plan, which have been approved by the board of trustees, to be a balanced and achievable view. This consideration of risks includes:

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Trustees' Report for the year ended 31 August 2022

- consideration of the evolving economic environment on the Trust's future financial performance which presents risk from unprecedented inflation and volatility in energy costs, double-digit inflation in certain supplies such as food and high labour inflation coupled with a tight labour market which could present a staff recruitment and retention risk to the Trust;
- continuing increased need amongst the Trust's pupils for both academic and pastoral recovery support;
- risk of increases in the Local Government Pension Scheme ("LGPS") employer contribution rates, which are not in the direct control of the Trust, but will be adjusted from April 2023 following conclusion of the triennial valuations;
- an assumption that any future increases in the Teachers' Pension Scheme employer contribution rate, which is set by government, would continue to be incrementally funded by the DfE, as has been the case following the most recent increase which was funded via the Teachers' Pension Employer Contribution Grant;
- an assumption that, following the recent Condition Data Collection programme which was commissioned by the Department for Education, the Trust will continue to receive sufficient capital funding from the DfE to enable it to appropriately maintain the condition of the Trust's estate.

These adverse financial risks will be managed through careful and flexible allocation of resources, particularly in relation to staffing. The Trust is pleased that the Government has recognised and responded to the need for additional funding to support ongoing COVID recovery in the year ending 31 August 2023. Regarding the LGPS, the current employer contribution rates incorporate additional contributions, as determined by the scheme actuaries, in order to reduce the deficit.

For the above reasons, the Trust 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 (note 1).

Promoting the success of the Trust to achieve its charitable purposes

The Companies Act 2006 requires that directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct.

The trustees have fulfilled these duties through various actions, including the appointment of the CEO, establishing a clear Scheme of Delegation, holding the Executive team members to account for their actions and decisions through Trust Board and committee meetings, engaging with stakeholders at the Department for Education through formal meetings and review and challenge of the 3-year plan and other strategic and operational improvement plans.

The interests of the Trust's employees have been protected through application of the Teachers' Pay and Conditions for all teaching staff, recognition of and regular engagement with relevant trade unions and implementation of a range of employee-related policies including Whistleblowing and Grievance policies.

The impact of the Trust on its communities is, in the first instance, evident through the provision of education services to pupils within the communities in which the Trust's academies are located. The Trust ensures all school-age children in its communities have fair access to the Trust's academies by adhering to the Trust's published admissions policies. More broadly, as far as possible, the Trust makes its buildings and sports facilities

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

available for hire by members of its local communities, outside of school hours. Trustees regularly visit schools to engage with staff and pupils and experience the school environments first-hand.

Financial review

Most of the Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants to fund school operations, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds (non-fixed asset) in the Statement of Financial Activities.

The Trust also receives grants for capital expenditure from the ESFA, DfE, local authorities and, from time to time, from The Ross Foundation and other organisations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in 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.

During the year ended 31 August 2022, the in-year income from restricted general funds and unrestricted funds (excluding movement in the net value of defined benefit pension balances) exceeded corresponding expenditure and transfers to other funds by £2.6m (2021: £2.7m). This resulted in closing reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2022 being a surplus of £5.3m (2021: £2.6m).

The in-year net surplus revenue result was after transferring £0.1m (2021: £nil) from restricted general funds to the permanent endowment funds in order to give effect to Charity Commission Orders which require full replenishment of the permanent endowment funds by 31 August 2033.

The restricted fixed asset fund shows in-year income of £4.5m (2021: £8.5m), of which, £0.9m relates to a grant committed by the Football Foundation to support construction of a new pitch at Humberston Academy, the construction of which will commence as soon as possible in 2022/23.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Trust's balance sheet shows a net liability of £5.3m (2021: £51.2m). The significant reduction in the net liability compared to the prior year-end is largely attributable to a reduction in the present value of the scheme liabilities due to a material increase in the discount rate assumptions applied, connected to the recent changes in the economic outlook.

The presence of a pension surplus or deficit does not constitute an immediate realisable asset or liability. The Trust is required to account for the benefits, even if the actual provision will be many years into the future. The Board is confident that it can meet the required pension contributions from projected future income.

During the year, there have been some impacts on the Trust's expenditure as a result of the changes in the economic environment, for example costs of supplies for estate repairs and improvement works have significantly increased. However, the Trust has been protected to a large degree from the high inflationary environment as energy prices remained fixed at rates contracted for in 2020 and the Trust's catering contract provided protection in the short term from food price inflation.

The trustees were pleased that the Government recognised the increased financial pressure the pandemic has placed on schools and welcomed continued receipt of the ESFA's Coronavirus Recovery Premium Grant along with the School-led Tutoring Grant which together enabled the Trust to significantly invest in small group tuition and enhanced pastoral care of pupils, as well as the Schools Supplementary Grant which provided relief for the inflationary pressures which could not be avoided, including labour inflation pressures and the increase in National Insurance rates from April 2022.

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At 31 August 2022, the Trust held a significant amount of cash at bank, £23.8m (2021: £17.5m). This partly reflects the nature of the Trust's typical cash flow cycle in that funding is mainly received in advance to enable the Trust to be able to meet its cash flow obligations, and partly reflects delays to the Trust's capital works programme due to reduced availability of contractors and building materials due to COVID-19. Progress has been made during the year at catching up on the planned capital programme and this is expected to continue into the following year. Excluding amounts relating to capital and reserves, cash held at year end represents less than 2 months' worth of funding and reflects the net result of timing of working capital receipts and payments.

Reserves Policy

The Trust held fund balances as at 31 August 2022 of £168.1m (2021: £119.4m) comprising £166.7m (2021: £118.0m) of restricted funds and £1.4m (2021: £1.4m) of unrestricted funds. The Trust's restricted funds include a pension reserve deficit of £5.3m (2021: £51.2m), restricted fixed asset funds of £168.0m (2021: £168.0m) which could only be realised by disposing of tangible fixed assets, permanent endowment funds of £0.1m (2021: £nil) and restricted general funds (excluding pension reserve) of £3.9m (2021: £1.2m).

The Trust's unrestricted funds and restricted general funds (excluding pension reserve) together form the Trust's revenue reserves of £5.3m (2021: £2.6m). Whilst demands on the Trust's reserves will vary over the years, the Trust's policy is that the Trust aims to build up to maintaining a level of revenue reserves in the range of 5-10% of annual recurrent revenue income. The reason for this is to provide sufficient working capital to cover delays between payment of expenditure and receipt of grants and to provide a cushion to deal with emergencies such as urgent unexpected repair costs. Should the Trust's revenue reserves balance fall outside of this target range, a plan will be implemented to return to within the target range over an agreed period of time.

The Trust Board are delighted to report that, following achievement of an in-year surplus for the fourth consecutive year, the revenue reserves position has returned to a surplus position which is 5.7% of revenue income for the year ended 31 August 2022, which is within the target range.

The balance on the Trust's Permanent Endowment Funds, which do not form part of the Trust's revenue reserves, is currently £0.1m (2021: £nil). The Permanent Endowment Funds have been used to fund major construction projects in the Trust's academies. In accordance with the provisions of the Charities Act 2011, the £2.1m Permanent Endowment Funds will need to be replaced over time from academy funds. In accordance with Charity Commission Orders relating to these funds, recoupment commenced in the year ended 31 August 2022 and will be completed in the year ending 31 August 2033.

In addition to the Trust's Permanent Endowment Funds, the Trust previously received donations from The Ross Foundation totaling £5.5m of expendable endowment funds which were also used to fund construction projects in the Trust's academies. The trustees have confirmed their intention to replenish this fund over time through creation of a Designated Strategic Investment Fund within unrestricted funds which will be used at the discretion of the Trust Board to fund future development projects including capital projects. In the year ended 31 August 2022, trustees agreed to transfer £0.1m into this fund.

Investment Policy

The trustees agree all investments made by the Trust. Investments are currently restricted to deposit accounts in UK banks. The Trust also previously received significant donated shares subsequent to the endowment being established and these equities have been liquidated in line with the Trust's policy. Investments are made with regard to Charity Commission guidance in relation to investments.

Principal Risks and Uncertainties

The trustees are accountable for identifying risks faced by the Trust, assessing the likelihood of each risk occurring and its potential impact and ensuring appropriate steps are taken to mitigate the risks to a level they consider to be acceptable.

The board of trustees has assessed the major risks to which the Trust is exposed, in particular those relating to the teaching, safeguarding, provision of facilities and other operational areas of each academy, and the finances of the Trust.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

The trustees continue to assess risks that the Trust faces, especially in the operational areas (for example in relation to teaching quality, health and safety, safeguarding, school trips, recruitment and retention of teaching staff, critical incident response, cyber security) and in relation to the control of finance and implements operational and financial controls in order to minimise risk. Where significant financial exposure risk still remains, they have ensured the Trust has adequate insurance cover. The Trust had a system of internal financial approvals in operation for the year.

Additionally, each academy evaluates and monitors its own risks, and the Trust maintains its own risk register as well as functional risk registers for central services teams.

The main risks facing the Trust centre around meeting its vision of every academy becoming outstanding within five years, whilst balancing the need to operate within the Trust's available funding envelope, in the face of continuing pressure on school funding in real terms.

The Trust is addressing risks of standards not rising sufficiently, of capacity to support this improvement and of recruiting sufficient high-quality teachers and leaders.

Financial risks include growth in pupil numbers, which is a key driver of funding from the government and uncertainty as to whether funding will be available if needed to cover high inflation and rising costs in relation to the Local Government Pension Schemes.

In the short to medium term, the impacts arising from the COVID-19 pandemic also present several increased and additional risks relating to academic achievement for pupils who have missed a significant amount of time at school and increased risks relating to safeguarding and mental health.

Fundraising

The Trust only partakes in low-level fundraising, not to fund the Trust's core provision of education, but to support related activities, in particular the provision of extra-curricular enrichment opportunities to pupils.

The Trust's fundraising activities undertaken during the year included small scale, locally-run fundraising and sponsored challenge events organised at an academy level, and some trust-wide organised sponsorship events, for which participants sought sponsorship from their personal network of contacts.

All fundraising activities are carried out using guidelines laid out in the Code of Fundraising Practice and conform to the requirements of the recognised standards.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	20,244,535	24,928,265
Energy consumption break down (kWh)		
- Gas	12,986,181	17,688,845
- Electricity	6,804,214	6,809,999
- Transport fuel	454,140	429,421
Scope 1 emissions in metric tonnes CO ₂ e		
- Gas consumption	2,370.50	3,239.89
- Owned transport (minibuses)	30.86	56.57
- Total scope 1	2,401.36	3,296.46
Scope 2 emissions in metric tonnes CO ₂ e		
- Purchased electricity	1,315.80	1,445.97
Scope 3 emissions in metric tonnes CO ₂ e		
- Business travel in employee-owned vehicles	74.75	43.93
Total gross emissions in metric tonnes CO ₂ e	3,791.91	4,786.36
Intensity ratio: kgCO ₂ e per pupil	263.69	343.31
Intensity ratio: tCO ₂ e per pupil	0.26	0.34

Quantification and Reporting Methodology

Emission data has been calculated in line with the 2019 UK Government Environmental Reporting Guidelines. The Emission Factor Data used was the 'Database 2022, Version 1.0', utilising the current published kWh gross calorific value (CV) and kgCO₂e emission factors relevant for the reporting year, which is consistent with the 2019 UK Government environmental reporting guidance.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in kgCO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- Works to improve roofing insulation in some academies;
- Heating system upgrades to improve energy efficiency;
- Lighting refurbishments replacing existing fluorescent installations in a number of academies have been undertaken through the year. These replacements are being rolled out across the estate and this will continue into 2022/23, further improving energy efficiency, with the additional benefit of reducing maintenance requirements for lighting plant;
- Window upgrades, replacing single-glazed with double-glazed, to improve energy efficiency of some academy buildings.

The energy consumption data for the year ended 31 August 2022 reflects the first year of publishing SECR data under normal operating conditions, with no periods of full or partial school closure due to COVID-19, nor any requirement to open windows to provide extra ventilation in classrooms, as was the case in the year ended 31 August 2021. The significant decrease in gas consumption and the associated emissions over the 2021/22

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

reporting year in comparison to 2020/21 are therefore thought to be attributable to a combination of energy efficiency improvement works carried out at several of the Trust's academies along with the return to normal operating arrangements.

Plans for Future Periods

The Trust's strategy for the next three years is built around the vision of believing that all pupils in the Trust have the right to world-class education which broadens their horizons.

The Trust's strategic priorities (see page 5) are centred on:

- Academic excellence and ambition
- An outstanding all-round education
- Schools of choice in our communities

These are underpinned by foundations crucial to the Trust's success:

- Attracting and developing outstanding talent across the Trust
- Delivering high quality support services valued by our schools
- Prioritised investments delivering educational improvements
- Governance focused on improving education outcomes

And are supported by the organisation's 'One Trust' values:

- Aspiration – always aiming high
- Ambition – being the best we can be
- Courage – nothing holds us back
- Respect – always leading by example

The Trust continues to work to raise the aspirations and outcomes of pupils at all ages, closing gaps between the performances of different groups where this is needed and ensuring all pupils are able to proceed successfully to the next stage of their education.

The Trust continues to invest in its assets, supported by grant funding allocations from the Department for Education's School Capital Allocations and other funding where available. Key projects have and will continue to be delivered across all phases: Primary, Secondary and Special.

The Trust seeks to ensure that support services are delivered efficiently and to a high quality, allowing our academy principals to concentrate on the core mission of delivering world-class educational outcomes for pupils.

Funds held as Custodian Trustee on behalf of others

The David Ross Education Trust holds 16-19 Bursary Fund monies as custodian for the Education and Skills Funding Agency, awarding bursaries for those in need meeting the criteria specified in the terms of this government scheme. Further details can be found in the notes to the accounts relating to agency arrangements.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee with no share capital and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The David Ross Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates under the following names:

Primary Phase Academies:

Abbey CofE Academy
Ainthorpe Primary School
Briar Hill Primary School & Nursery
Brighthelm Primary School
Cedar Road Primary School
Eastfield Academy
Edward Heneage Primary Academy
Endike Academy
Fairfield Academy
Falconer's Hill Academy
Greenfields Primary School and Nursery
Hogthorpe Primary Academy
Ingoldsby Academy
Kings Heath Primary Academy
Malcolm Arnold Preparatory School
Newnham Primary School
Quay Academy
Rockingham Primary School
The Arbours Primary Academy
Thomas Hinderwell Primary Academy
Welton Church of England Academy
Wold Academy

Secondary Phase Academies:

Charles Read Academy
Charnwood College
Havelock Academy
Humberston Academy
King Edward VI Academy
Lodge Park Academy
Malcolm Arnold Academy
Skegness Grammar School
The Barnes Wallis Academy
Thomas Middlecott Academy

All-through Academy:

Bobby Moore Academy

Special School:

The Eresby School

The Trust has entered into funding agreements with the Department for Education which provide the framework within which the Trust must operate. The Havelock Academy Endowment Fund and The David Ross Education Trust Endowment Fund, together the permanent endowment funds, were established in accordance with a deed of gift and declaration of trust, agreed between the Trust, The Ross Foundation (previously known as The David Ross Foundation) and the Department for Education.

Details of the trustees who served during the year and to the date these accounts were approved, are included in the Reference and Administrative Details on page 2.

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 Trust has opted into the Department for Education's risk protection arrangement (RPA) for schools, an alternative to commercial insurance where UK Government funds covers 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.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Method of Recruitment and Appointment or Election of Trustees

Members of the charitable company are nominated by The Ross Foundation, the sponsor of the Trust. The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The constitution of the Trust Board is: up to eight sponsor trustees (appointed by the sponsor); up to six academy trustees (appointed by sponsor trustees); up to three co-opted trustees (appointed by sponsor and academy trustees), and one representative from the Church of England. In accordance with the articles of association, trustees may be removed by the person or persons who appointed them.

At the end of the year there were seven sponsor trustees, one co-opted trustee and one representative of the Peterborough Church Schools Trust.

The Secretary of State for Education may appoint trustees in exceptional circumstances to some academies in line with the conditions of the Funding Agreement. As at the year-end, no appointments had been made by the Secretary of State.

Each academy in the Trust has a separate Academy Scrutiny Committee. Academy Scrutiny Committees include Trust-appointed governors from the community, elected staff governors and elected parent governors.

The Trust Board delegates responsibilities to the Academy Scrutiny Committees in accordance with the Scheme of Delegation. Where an academy is underperforming, the Trust Board reserves the right to replace the Academy Scrutiny Committee with an Academy Improvement Board and to withhold delegations as appropriate.

Policies and Procedures Adopted for the Induction and Training of Trustees

All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as trustees or governors.

Newly appointed trustees and governors are offered a full induction training programme and all trustees and governors have access to a full training programme delivered to academies throughout the year as well as localised training delivered within academies.

The Trust Board seeks to have a diverse representation and all of the knowledge and skills required to run the Trust. Via its Remuneration and Nominations Committee, the Trust Board regularly reviews the terms of office of trustees and in turn considers the composition of the board to ensure a broad range of professional skills, expertise and diversity. Committees of the Trust Board annually review effectiveness and composition which informs the annual revision of the Scheme of Delegation.

Organisational Structure

The organisational structure of the Trust consists of three key lines of accountability: the trustees, local governors and the Executive leadership team. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels, whilst also having clear lines of accountability.

The Trust is governed by the Trust Board which delegates functions as appropriate to the Academy Scrutiny Committee of each academy.

The trustees are responsible for all areas covered under the funding agreements and all areas of statutory responsibility appertaining to the Trust which includes setting general policy, developing a three-year strategic plan and adopting an annual plan, agreeing the Trust's budget (including those amounts delegated to academy principals), budget monitoring, performance monitoring and senior staff appointments. The Trust Board also approves the appointment of all chairs of Academy Scrutiny Committees. During the period under review the Trust Board held six meetings. All trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role.

The Trust maintains a central office which includes at Executive level the Chief Executive, the Deputy Chief Executive and Head of Secondary Education, the Head of Primary Education, Chief Finance Officer, Head of

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Estates, Facilities and Administration and the Chief People Officer. Central services include educational support services, school improvement, human resources support, financial and legal services, asset management, information technology and management information, public relations, marketing and communications, internal and external audit, enrichment (including sports and music enrichment) and governance services. The central office is in Loughborough whilst maintaining close links to The Ross Foundation offices in London to facilitate good communication with the sponsor.

The governors of each academy are responsible for monitoring the performance of their academy, focusing on academic standards, safeguarding and leadership. This includes regular scrutiny and challenge of the principal and academy senior leadership team. Line management of principals is delegated to the Education Leadership Team.

The principal and senior leadership team at each academy are responsible for implementing the policies as agreed by the board of trustees and any local operating procedures as approved by the Academy Scrutiny Committees. Principals or functional leaders of central services are responsible for the authorisation of expenditure within trust-agreed budgets and the appointment of staff. The Chief Executive is the Accounting Officer, with responsibility for the Trust's detailed financial procedures being delegated to the Chief Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

During the year, the Remuneration and Nominations Committee of the Trust Board had responsibility for maintaining oversight of pay awards across the Trust and approving any amendments to the Trust's pay structure and any cost of living pay rises aligned to national policies.

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
R Emerton (Chair)	5	5
J Hoareau	5	5
D Ross	4	5

Trust Board are responsible for approving, following recommendation from the Remuneration and Nominations Committee, any pay rises that are mis-aligned to national policy, any bonuses schemes and subsequent payments, and executive pay and conditions.

The Chief Finance Officer and Company Secretary appointments must be approved by Trust Board. Other members of the Executive management team are appointed by the Chief Executive. All Executive team pay and conditions are approved by the Trust Board based on recommendations of the Remuneration and Nominations Committee. Setting of the Chief Executive's performance targets and review is carried out by Trust Board or a nominee of the Trust Board, which has historically been the Chair of the Trust Board. Setting of performance targets and review for the rest of the Executive Team is delegated to the Chief Executive.

Principals are appointed by the Heads of Education in consultation with the Chief Executive and their salaries are set by benchmarking against national guidance and market rates, in consultation with the Chief People Officer.

Senior leadership teams of individual academies are appointed by the academy principal.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the academy trust must publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

The Trust meets its statutory obligations to provide facility time to trade union representatives partly by pooling resources with other schools and academies within the local authorities in which the Trust's academies are located, paying into facility time arrangements operated by local authorities, to cover the time spent by trade union representatives across a number of different employers.

Relevant union officials

Number of employees who were relevant union officials during the year:	18
Full-time equivalent employee number:	18

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	18
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time:	£27,500
Total pay bill:	£67.5m
% of total pay bill spent on facility time:	0.04%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours:	0%
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Related Parties and other Connected Charities and Organisations

The Trust maintains The David Ross Education Trust Endowment Fund and The Havelock Academy Endowment Fund. The Funds were created to hold the endowments paid by the Trust's sponsor, The Ross Foundation, in respect of Havelock Academy and Malcolm Arnold Academy. The board of trustees is responsible for determining the specific uses of the Endowment Funds, which have previously been fully invested in enhancing the provision of education at the Trust's academies. In line with Charity Commission Orders which require replenishment of the funds, £105k has been transferred into the funds in the year ended 31 August 2022.

The Trust is closely linked to The Ross Foundation, which is the sponsor of the Trust. The Trust continues to benefit from the Foundation's many partners including (but not exclusively) Nevill Holt Opera, the British Paralympic Association and the University of Nottingham, as well as receiving continued fundraising support from the Foundation from time to time.

The Trust owns 100% of the share capital of David Ross Education Services Ltd. This company was dormant during the year ended 31 August 2022.

Engagement with employees (including disabled persons)

Given that the nature of the Trust's primary activities (delivery of education) are service-based, trustees recognise the significant importance and value to the success of the organisation of attracting and retaining an engaged and motivated workforce. Under the leadership of the Chief Executive, the Executive management team, and locally under the leadership of academy principals, employees are kept informed of matters of concern to them, including the organisation's vision, strategy and performance. Communication channels include a monthly trust-wide online newsletter, use of social media, trust-wide conference calls and webcasts. Projects to implement significant changes involve consultation with representatives from all functional teams, prior to implementation.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2022

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunity policies and practices in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The Trust has established an Equality, Diversity and Inclusion ("EDI") Steering Group to drive the EDI agenda across the Trust, which includes staff representatives from both education and support operations teams. The EDI Steering Group activities and achievements are reported on a quarterly basis to the Finance and Resource Committee.

Disabled Persons

The policy of the Trust is to support recruitment and retention of employees (and pupils) with disabilities. The Trust does this by adapting the physical environment, by making resources available and through training and career development. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academies.

Engagement with suppliers, customer and others in a business relationship with the Trust

Delivering the Trust's strategy requires strong mutually beneficial relationships with the Trust's suppliers, pupils and their parents or carers (the Trust's main customers), the wider communities in which the Trust's academies are located including local authorities and other public sector organisations, the Trust's regulatory agencies (the DfE and the ESFA) and other partners, which may include non-government grant funders.

The Trust's Executive management team are responsible for maintaining collaborative and transparent relationships with appropriate members of the DfE and the ESFA and the Chair of the Trust Board regularly joins members of the Executive management team at meetings with DfE and ESFA representatives.

The Trust's Chief Finance Officer is responsible for overseeing the Trust's procurement practices, to ensure suppliers are selected through fair and transparent, competitive processes. Functional leaders in the central team and principals manage ongoing relationships with key suppliers as appropriate depending on the nature of goods or services provided by each supplier.

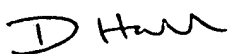
Principals are responsible for identifying and engaging with their pupil and parent populations, as well as appropriate stakeholders in their local communities, including representatives of local authorities, local businesses, and principals of neighbouring schools which are not members of the Trust. Local governors provide important support to principals in this regard.

Auditor

Insofar as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2022 and signed on the board's behalf by:



D Hall
Trustee

15 December 2022

The David Ross Education Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The David Ross Education 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, 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 agreements between The David Ross Education 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
D Ross (Chair)	6	6
P Cantley	4	6
C Counsell	5	6
R Emerton	5	6
D Hall	6	6
J Hoareau	6	6
N Langstaff	6	6
T Maloney	6	6
M Oliver	3	6

Governance reviews

Trustees and committees review performance and effectiveness regularly and refine and approve governance arrangements annually. Trustees agree annually to abide by the Trustee Code of Conduct. During the year, the trustees commissioned an independent external review of governance arrangements by CST Professional Development Limited, the results of which were reported to the Trust Board in summer 2022.

The report highlighted a number of the Trust's governance strengths such as its highly skilled trustees who work well together and provide robust challenge, high-quality governance documentation, risk management, educational provision, culture and ethos and financial management.

Recommended areas for consideration, which have all been accepted and will be addressed during 2022/23, included:

- clarifying the wording of the Trust mission and values and ensuring these are used consistently;
- completing the commenced update of the Trust's strategic plan;
- extending the scope of educational benchmarking data that is presented to trustees;
- ensuring trustees have oversight of staff wellbeing and workload;
- consider increasing the diversity of the Trust Board;
- determine trustee training, development and skills gaps arising from the skills audit and ensure trustee training expectations and recording arrangements are monitored more robustly;
- ensure Board discussions allow adequate scrutiny time for all agenda items.

The David Ross Education Trust

Governance Statement

Trustees complete a declaration of interests on an annual basis and the register of interests is reviewed at every Trust Board meeting to ensure it is up to date.

Trust Board Committees

The Education Committee is a committee of the main board of trustees. The role of the Education Committee is to provide assurance to the Trust Board in relation to achievement of educational outcomes at the Trust's academies, monitoring performance and pupil progress at individual academies, quality of leadership and teaching, as well as overseeing policies and practices relating to safeguarding, SEND provision, exclusion and attendance.

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
T Maloney (Chair)	4	4
C Counsell	4	4
S Deane (Non-trustee member)	4	4
M Oliver	4	4

A Medicott-Revell, a non-trustee member of this Committee in the previous year, resigned effective from 29 September 2021 and therefore did not attend any meetings during the year.

The Finance and Resource Committee is a committee of the main board of trustees. The Finance and Resource Committee's role is to oversee the financial performance of the Trust as a whole and the academies within it, making sure the Trust is financially sustainable, that the Trust's money is spent effectively and that there is proper use of its public funds. This includes advising the Trust Board on HR policy, staff performance and welfare, and overseeing compliance with Health & Safety legislation.

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
R Emerton (co-Chair)	3	4
D Hall (co-Chair)	3	4
J Hoareau	4	4
N Teagle (Non-trustee member)	4	4

The Risk and Audit Committee is a committee of the main board of trustees. The role of the Risk and Audit Committee is to review the risks to internal control at the Trust and to agree a programme of work that will address these risks, inform the governance statement and so far as is possible provide assurance to the external auditor.

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
N Langstaff (Chair)	4	4
B Brown (Non-trustee member)	4	4
P Cantley	4	4
R Stannard (Non-trustee member)	4	4

B Brown was re-appointed as a non-trustee member of the Risk and Audit Committee on 6 October 2021.

The David Ross Education Trust

Governance Statement

Review of Value for Money

As accounting officer, the Chief Executive 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:

- Avoidance of use of agency staff as much as possible, redeploying staff where possible to cover vacancies and absences;
- Continuing to use the government-provided Teaching Vacancies service to advertise all teaching vacancies, thus reducing recruitment costs as much as possible and engaging with the government's working group to improve the effectiveness of this service;
- Continued investment in CPD for teachers to increase the quality of teaching delivered to pupils;
- A capital programme prioritised at improving health and safety, balanced with improving standards in the Trust's academies and energy efficiency improvements;
- Recruitment of a qualified surveyor to enable work which was previously outsourced to be undertaken in house;
- Regular meetings of all primary and all secondary principals to share strategies and good practice;
- Continued focus on ensuring procurement processes are effective, under the leadership of the Chief Finance Officer and the Trust's Procurement Manager and through use of public sector frameworks where suitable frameworks are available;
- Oversight and scrutiny by a Finance and Resource Committee of trustees and non-trustee committee members.

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 The David Ross Education Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The David Ross Education Trust

Governance Statement

The Risk and Control Framework

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

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

The board of trustees has decided to buy-in an internal audit service from Haines Watts, Chartered Accountants. The internal auditor's role includes giving advice on financial and other 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:

- key financial controls relating to income and debtors;
- planning and management of school trips;
- maintenance of the Single Central Record;
- business continuity planning;
- control of contractors;
- staff training and development.

On a quarterly basis, the internal auditor reports to the board of trustees, through the Risk and Audit Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually 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.

The internal auditor has delivered their schedule of work for the year to 31 August 2022. No material control or other issues were reported by the internal auditor during the year.

Review of Effectiveness

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

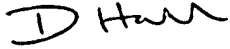
- the work of the internal auditor;
- the work of the external auditor;
- the work of the Trust's Risk and Audit Committee and the Finance and Resource Committee;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

The David Ross Education Trust

Governance Statement

Approved by order of the members of the board of trustees on 15 December 2022 and signed on its behalf by:



D Hall
Trustee



S Burns
Accounting Officer

The David Ross Education Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of The David Ross Education 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.



S Burns
Accounting Officer

15 December 2022

The David Ross Education Trust

Statement of Trustees' Responsibilities

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:

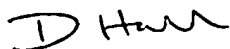
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 15 December 2022 and signed on its behalf by:



D Hall
Trustee

The David Ross Education Trust

Independent Auditor's Report to the Members of The David Ross Education Trust

Opinion

We have audited the financial statements of The David Ross Education Trust (the '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 FRS 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 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

The David Ross Education Trust

Independent Auditor's Report to the Members of The David Ross Education Trust

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which incorporates 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 the trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The David Ross Education Trust

Independent Auditor's Report to the Members of The David Ross Education Trust

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academy Trust Handbook, UK Companies Act, Charity Law, Charity Statement of Recommended Practice and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of trustees and management and those charged with governance concerning actual and potential litigation and claims;

The David Ross Education Trust

Independent Auditor's Report to the Members of The David Ross Education Trust

- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and 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.

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

Use of our report

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



Pamela Tuckett FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 20 December 2022

The David Ross Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to The David Ross Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 June 2021 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 The David Ross Education 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 The David Ross Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The David Ross Education 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 The David Ross Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The David Ross Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The David Ross Education Trust's funding agreement with the Secretary of State for Education dated 25 June 2020 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

The David Ross Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to The David Ross Education Trust and the Education and Skills Funding Agency

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.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 20 December 2022

The David Ross Education Trust

Statement of Financial Activities for the year ended 31 August 2022

(including Income and Expenditure Account)

					2021/22	2020/21
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Permanent Endowment Funds £000	Total Restated £000
Income and endowments from:						
Donations and capital grants	2	11	356	4,261	-	4,628
Charitable activities:						
Funding for the academy trust's educational operations	3	-	90,389	-	-	90,389
Provision of boarding activities	32	-	-	-	-	86
Other trading activities	4	1,145	9	260	-	1,414
Investments	5	11	-	-	-	11
Total		1,167	90,754	4,521	-	96,442
Expenditure on:						
Raising funds	6	828	16	4	-	848
Charitable activities:						
Academy trust educational operations	6	-	94,898	4,596	-	99,494
Provision of boarding activities	6, 32	26	-	28	-	54
Total		854	94,914	4,628	-	100,396
Net income/(expenditure)		313	(4,160)	(107)	-	(3,954)
Transfers between funds	18	(294)	32	157	105	-
Other recognised gains/(losses):						
(Losses) / gains on investment assets		-	(3)	-	-	(3)
Actuarial gains / (losses) on defined benefit pension schemes	33	-	52,653	-	-	52,653
Net movement in funds		19	48,522	50	105	(6,486)
Reconciliation of funds						
Total funds / (deficit) brought forward		1,374	(49,952)	153,513	-	104,935
Prior year adjustment	17	-	-	14,473	-	14,473
Total funds / (deficit) carried forward		1,393	(1,430)	168,036	105	168,104
Restricted general funds are made up as follows:						
Restricted general fund			3,866			
Restricted pension fund			(5,296)			
Total			(1,430)			

Details relating to the prior year restatement can be found in note 17.

The David Ross Education Trust

Statement of Financial Activities for the year ended 31 August 2021

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Permanent Endowment Funds £000	Total Restated 2020/21 £000
Income and endowments from:						
Donations and capital grants	2	-	97	8,501	-	8,598
Charitable activities:						
Funding for the academy trust's educational operations	3	-	84,946	-	-	84,946
Provision of boarding activities	32	-	86	-	-	86
Other trading activities	4	549	44	-	-	593
Investments	5	8	-	-	-	8
Total		557	85,173	8,501	-	94,231
Expenditure on:						
Raising funds	6	534	44	-	-	578
Charitable activities:						
Academy trust educational operations		-	86,417	4,298	-	90,715
Provision of boarding activities	32	-	217	25	-	242
Total	6	534	86,678	4,323	-	91,535
Net income / (expenditure)		23	(1,505)	4,178	-	2,696
Transfers between funds	18	-	(374)	374	-	-
Other recognised gains / (losses):						
Gains on investment assets		-	128	-	-	128
Actuarial (losses) on defined benefit pension schemes	33	-	(9,310)	-	-	(9,310)
Net movement in funds		23	(11,061)	4,552	-	(6,486)
Reconciliation of funds						
Total funds / (deficit) brought forward at 1 September 2020		1,351	(38,891)	148,608	-	111,068
Prior year adjustment	17	-	-	14,826	-	14,826
Total funds / (deficit) carried forward at 31 August 2021		1,374	(49,952)	167,986	-	119,408
Restricted general funds were made up as follows:						
Restricted general fund			1,237			
Restricted pension fund			(51,189)			
Total			(49,952)			

The David Ross Education Trust

(Company number: 06182612)

Balance Sheet as at 31 August 2022

		2022	2022	2021	2021
	Note	£000	£000	£000	As restated £000
Fixed assets					
Tangible assets	12		162,956		163,046
Investments	13				21
			162,956		163,067
Current assets					
Debtors	14	3,400		2,243	
Cash at bank and in hand		23,833		17,488	
		27,233		19,731	
Liabilities					
Creditors: Amounts falling due within one year	15	(15,918)		(11,204)	
Net current assets			11,315		8,527
Total assets less current liabilities			174,271		171,594
Creditors: Amounts falling due after more than one year	16		(871)		(997)
Net assets excluding pension liability			173,400		170,597
Defined benefit pension scheme liability	33		(5,296)		(51,189)
Total net assets			168,104		119,408
Funds of the academy trust:					
Restricted funds					
Fixed asset fund		168,036		167,986	
Restricted income fund		3,866		1,237	
Pension reserve		(5,296)		(51,189)	
Permanent endowment funds		105			
Total restricted funds			166,711		118,034
Unrestricted income funds			1,393		1,374
Total funds	20		168,104		119,408

The financial statements on pages 37 to 62 were approved by the trustees and authorised for issue on 15 December 2022 and are signed on their behalf by

D Hall

D Hall
Trustee

The David Ross Education Trust

Statement of Cash Flows for the year ended 31 August 2022

		2021/22	2020/21
	Note		As restated
		£000	£000
Cash flows from operating activities			
Net cash provided by operating activities	23	5,794	4,336
Cash flows from investing activities	24	681	2,279
Cash flows from financing activities	25	(130)	(216)
Change in cash and cash equivalents in the reporting period		6,345	6,399
 Cash and cash equivalents at beginning of period		 17,488	 11,089
Cash and cash equivalents at end of period	26	23,833	17,488

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

1 Accounting policies

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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. These financial statements are presented in £ and rounded to the nearest £000.

Going concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of grants towards the normal running costs and capital expenditure of each of its academies, based on student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 32 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for the year ending 31 August 2023 and forecasts for beyond this to 31 August 2025, challenges ongoing from the COVID-19 pandemic and latterly arising from the recently volatile and uncertain economic environment, along with projected pupil numbers for the year ending 31 August 2024, the trustees are of the opinion that, taking account of reasonably foreseeable downsides, the Trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the Trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Income

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

Grants

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 recognition of the income 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 period 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 grant 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 lives of the asset on which they are expended.

Sponsorship income

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

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 period it is receivable and to the extent the academy trust has provided the goods or services. Interest receivable is accrued on a daily basis.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale, less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated item 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 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.

1 Accounting policies (continued)

Expenditure

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

Expenditure on Raising Funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Furthermore, all computer equipment costing £1,000 or more is capitalised as well as all computer desktops, laptops and tablet devices.

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 to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Asset class	Expected useful life
Freehold buildings	Remaining lifespan, maximum 50 years
Leasehold buildings	Remaining lifespan, maximum 50 years, or the remaining life of the lease if shorter
Leasehold land	125 years, or the remaining life of the lease if shorter
Freehold and leasehold improvements	20 years
Furniture and equipment	5 years
Plant and machinery	10 - 20 years
Computer equipment	3 years
Motor vehicles	3 years

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

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.

Investments

Investments are included at market value:

- Listed investments are stated at the bid price;
- Fixed interest securities are stated at their deal prices;
- Pooled investment vehicles are stated at bid price or single price as appropriate and as provided by the investment manager.

Liabilities

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

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date of uncertain timing or amount, as a result of a past event, which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

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 basis 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. There are no amounts due to the charity's wholly owned subsidiary at the balance sheet date.

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

Financial liabilities – trade creditors, accruals and other creditors, including loans 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Pension benefits

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

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

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

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

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 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Endowment funds represent The David Ross Education Trust Endowment Fund and The Havelock Academy Endowment Fund and relate to donations received from The Ross Foundation. The Endowment funds had been fully expended as at 31 August 2021 and in accordance with Charity Commission Orders have begun to be replenished in the year ended 31 August 2022.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

1 Accounting policies (continued)

Accounting under the PFI arrangement

Land and buildings are used for the provision of education by The David Ross Education Trust under agreements with the relevant local authorities. The related land and buildings are not recognised as assets of the academy trust. This is because the Trustees assess that the academy trust does not have the risks and rewards associated with ownership whilst these agreements are in place. Payments made in connection with these agreements are considered to be periodic operating rental charges.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 31.

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuations performed at 31 March 2019 has been used by the actuaries 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.

The academy trust obtains use of assets as a lessee. The classification of such leases as operating or finance lease requires the academy trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

Land and buildings acquired on conversion to academy are valued where possible using an independent valuation from the ESFA. Where this is not available at the date the accounts are prepared, the assets are included in the financial statements at a value derived from their insurance valuation or as determined by a third party professional valuer.

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021/22	Total 2020/21
	£000	£000	£000	£000	£000
Capital grants - DfE Group	-	-	2,482	2,482	3,132
Other capital grants	-	-	1,417	1,417	186
Gifts in kind	-	27	-	27	6
Other donations	11	329	362	702	5,274
	11	356	4,261	4,628	8,598

Included within donations and capital grants is £362,000 (2021: £5,142,000) of donated fixed assets.

3 Funding for the academy trust's educational operations

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021/22	Total 2020/21
	£000	£000	£000	£000	£000
DfE / ESFA grants					
General Annual Grant (GAG)	-	76,498	-	76,498	69,258
Start Up Grants	-	145	-	145	174
Teachers' Pay Grant	-	52	-	52	840
Teachers' Pension Employer Contribution Grant	-	148	-	148	2,373
Schools Supplementary Grant	-	942	-	942	-
<i>Sub-total: GAG, Start-Up Grants, TPG, TPECG and SSG</i>	-	77,785	-	77,785	72,645
Pupil Premium	-	5,002	-	5,002	4,699
UIFSM	-	666	-	666	672
Other DfE / ESFA grants	-	807	-	807	820
	-	84,260	-	84,260	78,836
Other Government grants					
Local authority grants	-	3,841	-	3,841	3,552
Special educational projects	-	206	-	206	125
	-	4,047	-	4,047	3,677
Other income from the academy trust's educational operations	-	817	-	817	669
COVID-19 additional funding (DfE / ESFA)					
Catch-up premium	-	-	-	-	1,071
Recovery premium	-	709	-	709	-
Other DfE / ESFA COVID-19 funding	-	556	-	556	578
COVID-19 additional funding (non-DfE / ESFA)					
Other COVID-19 funding	-	-	-	-	115
	-	90,389	-	90,389	84,946

Other DfE / ESFA grants includes the Teaching School Hub grant funding of £180k. The prior year comparative has also been included within this line so as to be consistently presented (2021: £70k).

The academy trust received £709k of funding for COVID recovery premium (2021: £1,071k COVID catch-up premium) and costs incurred in respect of this funding totalled £709k (2021: £1,071k) with £nil (2021: £nil) carried forward to be spent in 2022/23.

Other DfE / ESFA COVID-19 funding includes School-led Tutoring grant funding £331k (2021: £nil), £190k (2021: £366k) relating to funding for provision of COVID testing, £35k (2021: £nil) Notional Tutoring Programme academic mentor funding, £nil (2021: £24k) COVID Workforce Fund and £nil (2021: £188k) funding for summer schools.

4 Other trading activities

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021/22	Total 2020/21 as restated
	£000	£000	£000	£000	£000
Hire of facilities	285	-	-	285	139
Income from ancillary trading activities	384	-	260	644	123
Income from other charitable activities	476	9	-	485	331
	1,145	9	260	1,414	593

5 Investment income

	Unrestricted Funds £000	Total 2021/22 £000	Total 2020/21 £000
Bank interest	11	11	1
Dividends	-	-	7
	11	11	8

6 Expenditure

	Staff costs £000	Premises £000	Other costs £000	Total 2021/22 £000	Total 2020/21 £000
Expenditure on raising funds and costs of trading activities:	574	10	264	848	578
Academy trust's educational operations:					
Direct costs	64,841	-	7,004	71,845	63,566
Allocated support costs	11,548	6,395	9,706	27,649	27,149
	76,389	6,395	16,710	99,494	90,715
Boarding activities:					
Direct costs	-	-	-	-	9
Allocated support costs	7	9	38	54	233
	7	9	38	54	242
	76,970	6,414	17,012	100,396	91,535

Net income / (expenditure) for the year includes:

	2021/22 £000	2020/21 £000
Operating lease rentals	1,555	1,419
Depreciation	4,497	4,323
(Gain) on disposal of fixed assets	(129)	-
Fees payable to auditor for:		
- audit	56	55
- other services	14	14

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amounts £000	Reason
Compensation payments	38	23	Claimant tripped on raised concrete
		15	Claimant cut finger with craft knife
Unrecoverable debts	46	10	Old debt from a non-trust school.

The compensation payments made during the year were fully covered through the Trust's membership of the DfE's risk protection arrangement.

7 Charitable activities

	Educational operations	Boarding	Total	Total as restated
	2021/22	2021/22	2021/22	2020/21
	£000	£000	£000	£000
Analysis of support costs				
Support staff costs	11,548	7	11,555	10,300
Depreciation	4,469	28	4,497	4,323
Technology costs	1,104	-	1,104	995
Premises costs	6,395	9	6,404	7,448
Legal costs - not associated with academy conversion/transfer	37	-	37	48
Other support costs	3,968	10	3,978	4,144
Governance costs	128	-	128	124
Total support costs	27,649	54	27,703	27,382

8 Staff

a. Staff costs

	2021/22	2020/21
	£000	£000
Staff costs during the year were:		
Wages and salaries	51,886	49,017
Social security costs	5,009	4,488
Pension costs	16,387	13,933
	73,282	67,438
Agency staff costs	2,701	1,478
Staff restructuring costs	109	94
	76,092	69,010
Staff restructuring costs comprise:		
Redundancy payments	-	22
Severance payments	109	72
	109	94

In accordance with the instructions published by the ESFA in the Academies Accounts Direction, the pension costs shown above include employer contributions in respect of the Teachers Pension Scheme and for LGPS, include full service costs but exclude pension finance costs / income.

Staff costs charged during the year includes an accrual of £0.7m (2021: £0.1m) in respect of expected inflationary pay awards for support staff on NJC pay scales and the associated employer's NI and pension costs, back-dated to 1 April 2022.

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

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £51k (2021: £51k). Individually, the payments were: £25k, £10k, £8k, £6k and £2k.

c. Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year on a headcount basis was as follows:

	2021/22	2020/21
	No.	No.
Teachers	837	805
Administration and support	1,021	1,038
Management	42	41
	1,900	1,884

Administration and support includes education support staff as well as central service employees.

8 Staff (continued)

d. Higher paid staff

The number of employees whose employee benefits (excluding employers' pension costs and national insurance contributions) exceeded £60,000 was:

	2021/22	2020/21
	No.	No.
£60,001 - £70,000	36	32
£70,001 - £80,000	14	10
£80,001 - £90,000	8	11
£90,001 - £100,000	5	8
£100,001 - £110,000	3	1
£110,001 - £120,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£170,001 - £180,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. 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 £935,014 in relation to 6 employees (2021: £818,905; 5 employees).

9 Central services

During the years ended 31 August 2022 and 31 August 2021, the Trust provided the following central services to its academies:

Asset management
Educational support services
Enrichment, including sports and music enrichment
Financial services
Governance services, including training
Human resources support
Information technology and management information
Internal and external audit
Legal services
Marketing and communications
Office of the Chief Executive
Public relations
School improvement
Others as arising

From 1 September 2017, the academy trust, in accordance with its funding agreement with the Department for Education and the provisions of the Academy Trust Handbook, pools GAG income and therefore does not recharge out costs for central services to academies.

10 Trustees' remuneration and expenses

Trustees did not receive any payments, other than reimbursement of expenses, from the Trust in respect of their role as trustees, for either the year ended 31 August 2022 or the year ended 31 August 2021. During the year ended 31 August 2022, £1,183 travel and subsistence expenses were reimbursed or paid directly to trustees (2021: £nil).

11 Trustees' and officers' insurance

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where government funds cover losses that arise. In accordance with normal commercial practice, 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.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

12 Tangible fixed assets

	Freehold Land and Buildings £000	Freehold Improvements £000	Leasehold Land and Buildings £000	Leasehold Improvements £000	Furniture and equipment £000	Plant and Machinery £000	Computer equipment £000	Motor Vehicles £000	Assets under construction £000	Total £000
Cost										
At 1 September 2021 (as previously stated)	43,111	2,547	115,699	3,763	3,273	2,678	8,585	41	-	179,697
Prior year adjustment	-	-	17,650	-	-	-	-	-	-	17,650
Restated at 1 September 2021	43,111	2,547	133,349	3,763	3,273	2,678	8,585	41	-	197,347
Additions	-	310	-	567	113	423	932	44	2,145	4,534
Disposals	(155)	-	-	-	-	-	-	-	-	(155)
At 31 August 2022	42,956	2,857	133,349	4,330	3,386	3,101	9,517	85	2,145	201,726
Depreciation										
At 1 September 2021 (as previously stated)	5,246	174	13,816	553	3,060	697	7,567	11	-	31,124
Prior year adjustment	-	-	3,177	-	-	-	-	-	-	3,177
Restated at 1 September 2021	5,246	174	16,993	553	3,060	697	7,567	11	-	34,301
Charge for the year	730	75	2,665	143	56	150	663	15	-	4,497
Disposals	(28)	-	-	-	-	-	-	-	-	(28)
At 31 August 2022	5,948	249	19,658	696	3,116	847	8,230	26	-	38,770
Net book values										
At 31 August 2022	37,008	2,608	113,691	3,634	270	2,254	1,287	59	2,145	162,956
Restated at 31 August 2021	37,865	2,373	116,356	3,210	213	1,981	1,018	30	-	163,046

The academy trust's additions during the year mainly comprised:

- £0.5m Local Authority Funded extension and improvements at Malcolm Arnold Academy;
- £0.4m relating to laptops donated by the DfE in response to the COVID-19 pandemic;
- £0.4m extension to the dining facilities at King Edward VI Academy;
- £1.1m of grounds, heating and windows improvement works at several academies
- continued investment in IT across the Trust upgrading switches and updating laptops and AV equipment.

Assets under construction at 31 August 2022 comprised a range of buildings improvement works across 8 of the trust's academies, most of which were completed shortly after the year-end. Included in Freehold Land and Buildings is land of £8,525,000 (2021: £8,525,000) which is not depreciated.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

13 Investments

The Trust owns 100% of the ordinary shares of David Ross Education Services Ltd, a company incorporated in England and Wales. The company is dormant. Turnover for the year ended 31 August 2022 was £nil, expenditure was £nil and the profit/(loss) for the year was £nil. The assets of the company at 31 August 2022 were £nil, liabilities were £nil and capital and reserves were £nil.

The Trust held £21k worth of listed investment shareholdings at 1st September 2021. During the year ended 31 August 2022 the Trust sold all of its shareholdings, realising £18k of cash after recognising £3k loss on revaluation prior to disposal.

14 Debtors

	2022 £000	2021 £000
Trade debtors	71	34
VAT recoverable	367	374
Other debtors	73	63
Prepayments and accrued income	2,889	1,772
	<u>3,400</u>	<u>2,243</u>

The Trust has written off £46,000 (2021: £15,000) of trade debtors due to the age and small values individually of these balances resulting in them being unrecoverable.

15 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	2,018	1,144
Other taxation and social security	1,265	1,143
ESFA creditors	375	569
Pension scheme creditor	1,459	1,361
Loans	213	197
Other creditors	386	80
Accruals and deferred income	10,169	6,710
Provision	33	-
	<u>15,918</u>	<u>11,204</u>

	2022 £000	2021 £000
Deferred income at 1 September 2021	933	1,159
Released from previous years	(759)	(850)
Resources deferred in the year	740	624
Deferred income at 31 August 2022	<u>914</u>	<u>933</u>

At the balance sheet date the academy trust was holding funds of £914,000 (2021: £933,000) received in advance, mainly in respect of Universal Infant Free School Meal funding, Special Educational Needs and Early Years Funding received in advance for the autumn term 2022.

Included in creditors due within one year are interest free loans of £41,000 (2021: £27,000) from Salix. Amounts falling due after one year of £104,000 (2021: £58,000) are included within creditors falling due after one year.

In June 2018, the academy trust received an £800,000 advance of GAG funding which relates to the years ended 31 August 2021 and 2022 in equal parts. The GAG payments to the academy trust in October 2020 and October 2021 were each received net of £400,000 recoupment of this advance.

16 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Loans	831	957
Provision	40	40
	<u>871</u>	<u>997</u>

Included in creditors is a capital loan from the Education and Skills Funding Agency totalling £899,000 (2021: £1,069,000), which was issued as part of a MAT pilot scheme to fund roof repairs at 4 of the Trust's academies. The loan is repayable over 10 years with interest chargeable at 1.91% p.a.; £172,000 (2021: £170,000) is included within creditors falling due within one year and £727,000 (2021: £899,000) as falling due after more than one year; these repayments exclude the interest repayable.

The Trust leases a car park at Ingoldsby Primary School. On cessation of this lease the Trust is responsible for returning the area to its former use as agricultural land. The lease runs until 24 April 2026 and therefore a liability for the expected future cost of this has been recognised within creditors falling due after one year.

17 Prior Period Adjustment

The restatement of the prior year balance sheet relates to leasehold buildings at Havelock Academy which were not previously recognised. Previously, the Trust had recognised this agreement as a licence to occupy, with a notional gift in kind recognised in both income and expenditure for the estimated fair value of the rental. This agreement has been determined to represent a lease agreement in substance over the legal form of the agreement, with the buildings being brought onto the balance sheet through a restatement of prior year comparatives. The prior year adjustment has been processed to include the value of the assets as if they were always accounted for in this manner since the Trust has had use of the buildings. This restatement also affects the fixed asset note and the analysis of income, expenditure and assets by fund notes with the restricted fixed asset fund value also restated. The prior year income and expenditure recognised in restricted general funds have been reduced by the notional value of the rent.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

18 Funds

	Balance at 1 September 2021 Restated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	1,451	76,498	(73,846)	(262)	3,841
Start Up Grants	-	145	(145)	-	-
UIFSM	-	666	(666)	-	-
Pupil Premium	-	5,002	(5,002)	-	-
COVID Recovery premium	-	709	(709)	-	-
Other DfE / ESFA COVID-19 funding	-	556	(556)	-	-
Other DfE / ESFA grants	80	1,949	(2,004)	-	25
Local Authority funding	-	3,841	(3,841)	-	-
Gifts in kind	-	27	(27)	-	-
Provision for boarding facilities	(294)	-	-	294	-
Other income	-	1,361	(1,358)	(3)	-
Pension reserve	(51,189)	-	(6,760)	52,653	(5,296)
	(49,952)	90,754	(94,914)	52,682	(1,430)
Restricted fixed asset funds					
Donation of transferred assets from local authorities	101,463	-	(2,335)	-	99,128
DfE capital grants	55,634	2,482	(1,779)	-	56,337
DfE donated assets	315	362	(217)	-	460
Proceeds from disposal of fixed assets	736	260	(12)	-	984
Other capital grants and donations	9,838	1,417	(285)	157	11,127
	167,986	4,521	(4,628)	157	168,036
Other restricted funds					
Endowment funds	-	-	-	105	105
Total restricted funds	118,034	95,275	(99,542)	52,944	166,711
Unrestricted funds					
Designated funds	-	-	-	100	100
Unrestricted general funds	1,374	1,167	(854)	(394)	1,293
Total unrestricted funds	1,374	1,167	(854)	(294)	1,393
Total funds	119,408	96,442	(100,396)	52,650	168,104

The academy trust is not subject to GAG carried forward limits.

The brought forward balance related to provision of boarding activities within restricted general funds has been transferred to unrestricted funds and the current year costs related to the boarding house which is no longer in use have been charged to unrestricted funds.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

18 Funds (continued)

Comparative information as restated in respect of the preceding period is as follows:

	Balance at 1 September 2020 Restated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 Restated £000
Restricted general funds					
General Annual Grant (GAG)	(1,384)	69,258	(66,221)	(202)	1,451
Start Up Grants	-	174	(174)	-	-
UIFSM	-	672	(672)	-	-
Pupil Premium	-	4,699	(4,688)	(11)	-
Catch-up premium	-	1,071	(1,038)	(33)	-
Other DfE / ESFA COVID-19 funding	-	578	(578)	-	-
Other COVID-19 funding	-	115	(115)	-	-
Other DfE / ESFA grants	-	3,963	(3,883)	-	80
Local Authority funding	-	3,552	(3,552)	-	-
Gifts in kind	-	6	(6)	-	-
Provision for boarding facilities	(163)	86	(217)	-	(294)
Teaching school hub	-	70	(70)	-	-
Other income	103	929	(1,032)	-	-
Pension reserve	(37,447)	-	(4,432)	(9,310)	(51,189)
	(38,891)	85,173	(86,678)	(9,556)	(49,952)
Restricted fixed asset funds (restated)					
Donation of transferred assets from local authorities	98,863	4,730	(2,130)	-	101,463
DfE capital grants	54,325	3,132	(1,823)	-	55,634
DfE donated assets	-	412	(97)	-	315
Proceeds from disposal of fixed assets	744	-	(8)	-	736
Other capital grants and donations	9,502	227	(265)	374	9,838
	163,434	8,501	(4,323)	374	167,986
Other restricted funds					
Endowment funds	-	-	-	-	-
Total restricted funds	124,543	93,674	(91,001)	(9,182)	118,034
Unrestricted general funds	1,351	557	(534)	-	1,374
Total funds	125,894	94,231	(91,535)	(9,182)	119,408

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

- (i) General Annual Grant must be used for the normal running costs of the academies. In addition, Start Up Grants are provided to cover essential initial costs in new schools, such as buying books and equipment; and to meet the costs arising as the school builds up its pupil numbers over time.
- (ii) Pupil Premium is allocated to academies on the basis of deprivation and is intended to support education for children from disadvantaged backgrounds.
- (iii) Local Authority funding in the main relates to funding supplied for pupils with statements of special educational needs and pupils attending nurseries within the Trust.
- (iv) Other DfE / ESFA grants mainly relates to the Schools Supplementary Grant, Teachers' Pay Grant, Teachers' Pension Employer Contribution Grant and the Primary PE and Sports Premium.
- (v) Gifts in kind represents non-cash donations of goods and/or services.
- (vi) Other income is deemed to be restricted where the funder places conditions on how the income can be spent, or the Trust has undertaken fundraising activities which have been communicated to donors as being for a specific purpose.
- (vii) Restricted fixed assets were funded by capital grants from DfE, Local Authorities or from the private sector.
- (viii) The restricted endowment fund is The David Ross Education Trust Endowment Fund.
- (ix) The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs are paid from this fund and the pension liability has therefore been aligned with these costs.
- (x) Transfers from restricted general funds to restricted fixed asset funds relate to capital expenditure from revenue income, as permitted by the conditions of the grants.
- (xi) Designated funds represent funds set aside by trustees to fund future strategic development projects in line with the trust's charitable objects which may include, at the discretion of the trustees, capital works.

The academy trust is carrying a net surplus of £5.3m (2021: £2.6m surplus) on restricted general funds (excluding pension reserve) plus unrestricted funds, which is within the target range as set out in the Trust's reserves policy.

Total funds analysis by academy

From 1 September 2017 the academy trust, as permitted by its funding agreement with the Department for Education and the provisions of the Academy Trust Handbook, pools GAG income and therefore does not recharge out costs for central services to individual academies. As a result of pooling GAG, the year end fund balance excluding pension reserve and restricted fixed asset funds is now considered to all be held centrally for the organisation as a whole, rather than being allocated to individual academies, as has been the case in previous years.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

19 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 2021/22 £000	Total 2020/21 £000
Abbey CE Academy	571	52	107	181	911	1,065
Ainthorpe Primary Academy	1,213	75	71	252	1,611	1,376
Barnes Wallis Academy	2,200	202	198	315	2,915	2,747
Bobby Moore Academy	4,843	405	553	1,027	6,828	4,719
Briar Hill Primary School	1,376	63	94	305	1,838	1,704
Brighthelm Primary School	581	59	63	109	812	805
Cedar Road Primary School	1,284	50	109	347	1,790	1,563
Charles Read Academy	1,551	216	121	434	2,322	2,043
Charnwood College	2,581	426	299	677	3,983	3,695
Eastfield Academy	796	33	58	268	1,155	1,092
Edward Heneage Primary Academy	1,096	95	124	191	1,506	1,499
Endike Primary Academy	1,668	88	107	306	2,169	2,077
Eresby Special School	1,142	86	42	173	1,443	1,420
Fairfield Academy	1,248	127	111	179	1,665	1,535
Falconer's Hill Academy	663	72	138	176	1,049	991
Greenfields Primary School	1,360	118	122	199	1,799	1,902
Havelock Academy	4,264	501	261	514	5,540	5,307
Hogthorpe Primary Academy	304	38	29	51	422	415
Humberston Academy	3,427	485	280	350	4,542	4,202
Ingoldsby Academy	259	20	42	56	377	394
King Edward VI Academy	2,498	294	247	435	3,474	3,194
Kings Heath Primary Academy	1,148	42	156	372	1,718	1,660
Lodge Park Academy	3,908	464	372	522	5,266	5,142
Malcolm Arnold Academy	5,187	614	713	735	7,249	6,726
Malcolm Arnold Preparatory School	1,041	55	133	290	1,519	1,347
Newnham Primary School	378	26	57	50	511	466
Quay Academy	1,427	68	117	172	1,784	1,888
Rockingham Primary School	1,017	98	100	160	1,375	1,243
Skegness Grammar School	2,549	459	317	425	3,750	3,656
The Arbours Primary Academy	974	62	85	362	1,483	1,407
Thomas Hinderwell Primary Academy	1,138	81	86	194	1,499	1,562
Thomas Middlecott Academy	2,325	257	187	405	3,174	2,905
Welton CE Primary Academy	457	72	93	84	706	608
Wold Academy	1,978	114	111	264	2,467	2,525
Central services	2,992	2,849	197	2,318	8,356	7,900
Academy Trust	61,444	8,766	5,900	12,898	89,008	82,780

The above represents the expenditure incurred before the adjustments required under FRS102 in respect of the local government pension scheme.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

20 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds as restated £000	Permanent Endowment Funds £000	Total Funds £000
Tangible fixed assets	-	-	162,956	-	162,956
Current assets	1,401	16,746	8,981	105	27,233
Current liabilities	(8)	(12,840)	(3,070)	-	(15,918)
Non-current liabilities	-	(40)	(831)	-	(871)
Pension scheme liability	-	(5,296)	-	-	(5,296)
Total net assets	1,393	(1,430)	168,036	105	168,104

Within unrestricted funds is £100k (2021: nil) of cash attributed to the Designated Strategic Investment Fund.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds as restated £000	Permanent Endowment Funds £000	Total Funds £000
Tangible fixed assets (restated)	-	-	163,046	-	163,046
Investments	-	21	-	-	21
Current assets	1,374	11,265	7,092	-	19,731
Current liabilities	-	(10,009)	(1,195)	-	(11,204)
Non-current liabilities	-	(40)	(957)	-	(997)
Pension scheme liability	-	(51,189)	-	-	(51,189)
Total net assets	1,374	(49,952)	167,986	-	119,408

21 Capital commitments

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	297	40

Capital commitments at 31 August 2022 relate to building improvement work commenced but only partially complete at several academies. The largest value item within the balance shown is £0.1m relating to installation of upgraded windows at Charnwood College.

At the prior year-end, capital commitments mainly related to science laboratory refurbishment works at King Edward VI Academy, commenced but only partially complete at 31 August 2021.

In addition to the contracted for capital commitments shown above, the Trust has a constructive obligation at the balance sheet date to install a new football pitch at Humberston Academy, having entered into a grant agreement for the partial funding of this by the Football Foundation.

22 Commitments under operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Land and buildings		
Amounts due within one year	1,190	1,189
Amounts due between one and five years	4,760	4,760
Amounts due after five years	100,443	101,634
	106,393	107,583
Other		
Amounts due within one year	115	224
Amounts due between one and five years	148	54
	263	278

The academy trust has financial commitments with local authorities in relation to PFI commitments within six of the schools within the Trust. The total commitment at the year-end was £106,393k (2021: £107,583k).

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

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

	2021/22	2020/21
	£000	as restated £000
Net income / (expenditure) for the year	(3,954)	2,696
Adjusted for:		
Depreciation	4,497	4,323
(Gain) on disposal of fixed assets	(129)	-
Capital grants from DfE and other capital income	(4,261)	(8,501)
Interest receivable	(11)	(8)
Interest payable on loans	20	23
Defined benefit pension scheme service cost less contributions payable	6,760	4,432
(Increase)/decrease in debtors	(98)	798
Increase in creditors	2,970	573
Net cash provided by operating activities	<u>5,794</u>	<u>4,336</u>

24 Cash flows from investing activities

	2021/22	2020/21
	£000	as restated £000
Dividends and interest income	11	8
Purchase of tangible fixed assets	(2,444)	(1,906)
Proceeds from sale of tangible fixed assets	256	-
Purchase of investment shareholdings	-	(17)
Disposal of investment shareholdings	18	606
Capital grants from DfE Group	2,568	3,522
Capital funding received from sponsors and others	272	66
Net cash provided by investing activities	<u>681</u>	<u>2,279</u>

25 Cash flows from financing activities

	2021/22	2020/21
	£000	£000
Cash inflows from new borrowing	91	-
Repayments of borrowing	(221)	(216)
Net cash (used in) financing activities	<u>(130)</u>	<u>(216)</u>

26 Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	13,815	12,478
Notice deposits (less than 3 months)	10,018	5,010
Total cash and cash equivalents	<u>23,833</u>	<u>17,488</u>

27 Analysis of changes in net funds

	At 1 September 2021 £000	Cash flows £000	Other non-cash changes £000	At 31 August 2022 £000
Cash	12,478	1,337	-	13,815
Cash equivalents	5,010	5,008	-	10,018
Total cash and cash equivalents	17,488	6,345	-	23,833
Loans falling due within one year	(197)	207	(223)	(213)
Loans falling due after more than one year	(957)	(77)	203	(831)
Total net funds / (debt)	16,334	6,475	(20)	22,789

28 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

Upon termination of the Funding Agreement the Trust's pension liability is expected to transfer to any successor organisation.

29 Members' liability

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

30 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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. The following related party transactions took place in the financial year.

Expenditure Related Party Transactions

Peterborough Diocesan Education Trust (Multi Academy Trust) of which Mr Peter Cantley is a Member

The Trust purchased training and religious education curriculum resources totalling £6,700 (2021: £7,608) during the period, as part of an ongoing relationship. There were no amounts outstanding at 31 August 2022 (2021: £nil).

The Confederation of School Trusts of which Mr Martyn Oliver (Trustee) is a Board Member.

The Trust incurred expenditure of £2,796 (2021: £2,796) in respect of its annual membership fee to The Confederation of School Trusts. The Trust's membership of the Confederation of School Trusts commenced prior to Mr Oliver's appointment to the board of trustees of The David Ross Education Trust.

Income Related Party Transactions

Mr Ross is owner of Nevill Holt Hall which includes Nevill Holt Farm and Nevill Holt Opera. During the year ended 31 August 2022, Trust pupils visited Nevill Holt Farm on day trips or camping trips during the course of the year, for which there was no charge and was valued at £7,000; no visits took place during 2021.

In the year ended 31 August 2022, the Trust benefitted from use of sports facilities at The University of Nottingham, of which Mr David Ross (Chair of Trustees) is Chair of the Nottingham Development Committee and a member of the University Council, to hold the Trust's seasonal Cup and Performance Conference events, free of charge. This was valued at £20,000 (2021: £6,000).

31 Agency arrangements

The secondary academies with post-16 provision distribute 16-19 bursary funds to students as an agent for the Education and Skills Funding Agency. During the year the Trust received £49,109 and disbursed £27,114 from the current year fund. An amount of £4,888 (2021: £nil) is included in other creditors relating to undistributed funds that is repayable to the Education and Skills Funding Agency.

The Trust distributed supermarket vouchers totalling £272,000 to families eligible for benefits-related free school meals during holiday periods, where requested to do so by local authorities, as part of the Government's COVID-related Winter Grant Scheme and Holiday Activities and Food programme 2022.

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

32 Academy boarding trading account

	2021/22 £000	2020/21 £000
Income		
Fee income	-	86
Expenditure - Direct costs		
Other direct costs	-	9
Expenditure - Indirect costs		
Staff costs	7	177
Utilities	6	7
Rent and rates	-	9
Security	-	-
Buildings maintenance	3	11
Depreciation	28	25
Other indirect costs	10	4
Total indirect costs	54	233
Total operating costs	54	242
Surplus / (deficit) on boarding	(54)	(156)
(Deficit) brought forward at 1 September	(484)	(328)
(Deficit) carried forward at 31 August	(538)	(484)

33 Pension and similar obligations

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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £1,459,000 were payable to the schemes at 31 August 2022 (2021: £1,361,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for 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 period amounted to £7,392,000 (2021: £7,190,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions' website.

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.

33 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £3,844,000 (2021: £3,774,000), of which employer's contributions totalled £2,931,000 (2021: £2,898,000) and employees' contributions totalled £913,000 (2021: £876,000). The agreed employer's contribution rates for future years vary across the academies and employees' contribution rates vary between 5.5% and 12.5% depending on an employee's gross salary.

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

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

The broad geographical spread of the trust's academies means that the employees are members of one of six pension schemes offered by the Trust, depending on which academy they are based at:

- East Riding Pension Fund: Ainthorpe Primary School, Endike Academy, Edward Heneage Primary Academy, Fairfield Academy, Havelock Academy, Humberston Academy, Quay Academy, Wold Academy.
- Northamptonshire Pension Fund: Abbey CE Academy, Briar Hill Primary School, Cedar Road Primary School, Eastfield Academy, Falconer's Hill Academy, Greenfields Primary Academy, Kings Heath Primary Academy, Lodge Park Academy, Malcolm Arnold Academy, Malcolm Arnold Preparatory School, Newnham Primary School, Rockingham Primary School, The Arbours Primary Academy, Welton CE Primary Academy.
- Lincolnshire Pension Fund: Barnes Wallis Academy, Charles Read Academy, Eresby Special School, Hogsthorpe Primary Academy, Ingoldsby Academy, King Edward VI Academy, Skegness Grammar School, Thomas Middlecott Academy.
- North Yorkshire Pension Fund: Thomas Hinderwell Primary Academy.
- Leicestershire Pension Fund: Brighthurst Primary Academy and Charnwood College.
- London Borough of Newham Pension Fund: Bobby Moore Academy.

As per previous years and detailed below, all six schemes were in deficit at the end of the financial period. In order to repay this deficit all employer contribution rates incorporate additional contributions in respect of a past service adjustment. This rate varies per academy; the repayment period varies per scheme, falling between 9 and 20 years.

	East Riding %	Northants %	Lincs %	N Yorks %	Leics %	Newham %
Principal Actuarial Assumptions						
Rate of increase in salaries	3.95	3.55	3.25	3.95	3.55	3.90
Rate of increase for pensions in payment / inflation	3.05	3.05	2.95	2.70	3.05	2.90
Discount rate for scheme liabilities	4.25	4.25	4.25	4.00	4.25	4.20
Inflation assumption (CPI)	3.05	3.05	2.95	2.70	3.05	2.90
Commutation of pensions to lump sums; pre-April 2008 service	60	50	50	75	50	50
Commutation of pensions to lump sums; post-April 2008 service	80	75	50	n/a	75	50

	East Riding %	Northants %	Lincs %	N Yorks %	Leics %	Newham %
Principal Actuarial Assumptions - Prior Year						
Rate of increase in salaries	3.80	3.40	3.20	3.85	3.40	3.85
Rate of increase for pensions in payment / inflation	2.90	2.90	2.90	2.60	2.90	2.85
Discount rate for scheme liabilities	1.65	1.65	1.65	1.70	1.65	1.70
Inflation assumption (CPI)	2.90	2.90	2.90	2.60	2.90	2.85
Commutation of pensions to lump sums; pre-April 2008 service	60	50	50	n/a	50	50
Commutation of pensions to lump sums; post-April 2008 service	80	75	75	n/a	75	50

33 Pension and similar obligations (continued)

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

Assumed life expectation on retirement age 65

	East Riding	Northants	Lincs	N Yorks	Leics	Newham
Males retiring today	20.8	21.7	21.2	21.8	21.5	21.4
Females retiring today	23.5	24.1	23.7	23.8	24.0	24.1
Males retiring in 20 years	22.0	22.8	22.1	23.5	22.4	23.0
Females retiring in 20 years	25.3	25.8	25.1	25.7	25.7	25.7

Assumed life expectation on retirement age 65 - Prior Year

	East Riding	Northants	Lincs	N Yorks	Leics	Newham
Males retiring today	21.0	21.7	21.2	21.9	21.7	21.4
Females retiring today	23.7	24.1	23.6	24.0	24.2	24.0
Males retiring in 20 years	22.2	22.8	22.0	23.6	22.6	22.9
Females retiring in 20 years	25.5	25.8	25.1	25.8	25.9	25.6

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

33 Pension and similar obligations (continued)

The academy trust's share of the assets and liabilities in the scheme were:

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2022	Total 2021
	£000	£000	£000	£000	£000	£000	£000	£000
Equities	18,536	12,393	8,572	249	2,515	-	42,265	39,282
Bonds	3,460	2,874	1,387	101	1,154	-	8,976	10,766
Property	2,471	2,514	1,486	43	371	-	6,885	6,277
Cash	247	180	276	1	83	-	787	1,330
Other	-	-	-	93	-	-	93	97
Total market value of assets	24,714	17,961	11,721	487	4,123	-	59,006	57,752
Present value of schemes' liabilities - funded	(26,950)	(18,977)	(12,543)	(813)	(4,742)	(277)	(64,302)	(108,941)
Deficit in the schemes	(2,236)	(1,016)	(822)	(326)	(619)	(277)	(5,296)	(51,189)

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total
	£000	£000	£000	£000	£000	£000	£000
Actual return on the scheme assets, year ended 31 August 2022	(375)	(1,217)	16	(78)	(5)	2	(1,657)
Actual return on the scheme assets, year ended 31 August 2021	3,509	2,943	1,827	73	691	15	9,058

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

33 Pension and similar obligations (continued)

Amounts recognised in Statement of Financial Activities

	East Riding £000	Northants £000	Lincs £000	N Yorks £000	Leics £000	Newham £000	Total 2021/22 £000	Total 2020/21 £000
Current service cost	3,828	2,648	1,461	162	453	261	8,813	6,669
Total operating charge	3,828	2,648	1,461	162	453	261	8,813	6,669
Interest income on pension scheme assets	(404)	(309)	(187)	(9)	(66)	(1)	(976)	(796)
Interest cost on pension liabilities	802	552	335	24	133	8	1,854	1,457
Net pension finance cost / (income)	398	243	148	15	67	7	878	661
Total cost recognised in the SOFA	4,226	2,891	1,609	177	520	268	9,691	7,330

Sensitivity analysis - approximate increase in defined obligation

	East Riding £000	Northants £000	Lincs £000	N Yorks £000	Leics £000	Newham £000	Total £000
0.1% decrease in Real Discount rate	693	475	280	24	109	9	
0.1% increase in Salary Increase rate	46	16	84	2	10	-	
0.1% increase in the Pension Increase Rate (CPI)	654	464	199	23	101	9	
Mortality assumption – 1 year increase in life expectancy	1,078	759	398	24	190	5	
Employer Contributions estimated for the period to 31 August 2023	1,074	846	756	68	216	48	3,008

The David Ross Education Trust

Notes to the Financial Statements for the year ended 31 August 2022

33 Pension and similar obligations (continued)

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total	Total
	£000	£000	£000	£000	£000	£000	2021/22	2020/21
							£000	£000
At 1 September	46,709	32,166	20,197	1,424	7,854	591	108,941	83,103
Current service cost	3,828	2,648	1,461	162	453	261	8,813	6,669
Interest cost	802	552	335	24	133	8	1,854	1,457
Reclassification of scheme in negative asset position	-	-	-	-	-	50	50	-
Employee contributions	412	252	159	16	44	30	913	876
Actuarial (gains) / losses	(24,421)	(16,432)	(9,609)	(774)	(3,690)	(360)	(55,286)	17,572
Benefits paid out	(380)	(209)	-	(39)	(52)	(303)	(983)	(736)
At 31 August	26,950	18,977	12,543	813	4,742	277	64,302	108,941

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total	Total
	£000	£000	£000	£000	£000	£000	2021/22	2020/21
							£000	£000
At 1 September	23,931	18,280	10,921	533	3,924	163	57,752	45,656
Interest income	404	309	187	9	66	1	976	796
Reclassification of scheme in negative asset position	-	-	-	-	-	50	50	-
Actuarial gains / (losses)	(779)	(1,526)	(171)	(87)	(71)	1	(2,633)	8,262
Employer contributions	1,126	855	625	55	212	58	2,931	2,898
Employee contributions	412	252	159	16	44	30	913	876
Benefits paid	(380)	(209)	-	(39)	(52)	(303)	(983)	(736)
At 31 August	24,714	17,961	11,721	487	4,123	-	59,006	57,752