

The David Ross Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021



Company Registration Number:
06182612 (England and Wales)

The David Ross Education Trust

Contents

Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	25
Statement of Regularity, Propriety and Compliance	30
Statement of Trustees' Responsibilities	31
Independent Auditor's Report on the Financial Statements	32
Independent Reporting Accountant's Report on Regularity	36
Statement of Financial Activities incorporating Income & Expenditure Account	38
Balance Sheet	40
Statement of Cash Flows	41
Notes to the Financial Statements	42

The David Ross Education Trust

Reference and Administrative Details

Members

The Ross Foundation (previously known as The David Ross Foundation)
D Ross
D Overton
The Peterborough Diocese Church Schools Trust

Trustees (Directors)

D Ross (chairman)
P Cantley (appointed 28 September 2020)
C Counsell
R Emerton
D Hall
J Hoareau
N Langstaff
T Maloney
M Oliver

The following trustees' terms of office ended during the year or after year end:

B Brown (resigned 28 September 2020)

Sir A Foster (resigned 30 November 2020)

Bishop of Brixworth J Holbrook (resigned 27 September 2020)

Company Secretary

M Maltby

Senior Management Team during the year

Chief Executive
Deputy Chief Executive and Head of Secondary Education
Head of Primary Education
Chief People Officer and Head of Support Operations
Chief Finance Officer

S Burns
M Neild
S Rose
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

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 2021. The annual report serves the purposes of both a trustees' report and a directors' 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 13,964 in the school census on 1st October 2021 (2020: 13,617).

This year has been another unusual year for the Trust, its pupils and employees due to the significant, continued disruption caused by the national response to the COVID-19 global pandemic resulting in partial school closures for part of the year and a second year of centre-assessed grades instead of public examinations. The trustees recognise that many colleagues have worked extremely hard to keep the Trust's academies open as required and to support pupils and their families through this unsettling period, and for this, the trustees are deeply grateful.

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, provided continued support to pupils, their families and communities through a period of significant uncertainty.

The Trust's 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.

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 £2.7m in-year revenue surplus, returning the Trust to an overall revenue reserves surplus of £2.6m at the end of the year.

The David Ross Education Trust

Trustees' Report

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 2021 the principal activity of the charitable company was the operation of 34 academies across Yorkshire, Lincolnshire, Northamptonshire, Leicestershire and London. This also included the operation of a boarding house as part of Skegness Grammar School. This is broken down as follows:

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 1,300 pupils, whilst the smallest, Charles Read Academy in Lincolnshire, has just over 250. The average number of pupils on roll in the Trust's secondary academies, based on the October 2020 census, was 699 (October 2019: 683).

In the primary phase, the Trust has inner-city academies such as Wold Academy in Hull with approaching 500 pupils, 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 2020 census, was 265 (October 2019: 263).

The Trust's all-through academy, Bobby Moore Academy, opened in London in September 2017. At the October 2020 census, the number of pupils on roll at was 719 (October 2019: 495) out of a total available capacity of 900 (October 2019: 660). 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 (previously known as The David Ross Foundation) for broadening young people's horizons to be delivered through its academies. The Trust is recognised as one of 11 system leaders nationwide.

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

The David Ross Education Trust

Trustees' Report

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

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, achieved a significant and sustained improvement in Key Stage 2 results, from a trust-wide combined average score of 56% in 2017, to 63% in 2018 and 69% in 2019. 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 2020 and 2021, the Key Stage 2 assessments were cancelled following the partial closure of schools due to the global pandemic. However, immediately prior to the lockdown in March 2020, the schools captured their own assessment data, applying a consistent assessment approach across all the Trust's primaries. In the last few years prior to the pandemic, our assessments at this time of year have been within 2% of the ultimate actual outcomes. These assessments in 2020 indicated that 74% of Year 6 pupils were on track to achieve the combined measure or higher. In 2021, the Trust again conducted its own Key Stage 2 assessments which indicated that 75% of Year 6 pupils would have achieved the expected standard in reading, writing and maths combined.

Trustees are delighted with the sustained improvement achieved across the Trust's primary schools.

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 also cancelled in light of the pandemic. In line with the Government guidance, 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 resulting Key Stage 4 outcomes for 2021 showed a significant improvement compared with pre-pandemic years for both Progress 8 estimates and absolute measures. Trustees were hopeful that the Trust's investment in improving secondary outcomes would deliver evidence of an improvement this year, but because of the cancellation of exams and grade inflation nationally, these results, as for all trusts and schools, cannot be taken as definitive evidence, at this stage, of that improvement. National data for comparisons between schools will not be published by the DfE this year.

Similarly, Key Stage 5 awarded results showed a marked improvement compared with prior years. Average A-level/Academic grade increased to B (2020: B-; 2019: C) and for vocational / applied courses, the average grade increased to Distinction+ (2020: Distinction; 2019: Merit+).

Given the uncertainty that the nature of the results award process has caused for pupils over the last two years of the pandemic, the trustees are pleased to report that both Key Stage 4 and Key Stage 5 destinations data showed a good conversion of pupils to positive destinations. At Key Stage 5, 80% (2020: 76%) of leavers from our sixth forms took up places at university, with a further 5% securing apprenticeships and 6% going directly into employment.

The David Ross Education Trust

Trustees' Report

Ofsted Ratings

Four of the Trust's academies received Ofsted visits during the year and the outcomes were all positive, recognising the improvements which have been achieved. Trustees are delighted to report that Wold Academy became rated 'Good' and Lodge Park Academy's rating was upgraded to 'Requires Improvement'.

A summary of Ofsted Ratings and movement during the year is shown below (Bobby Moore Academy excluded as it had not yet been inspected):

	Outstanding	Good	Requires Improvement	Inadequate	Total
At 31 August 2021					
Primaries	2	19	-	1	22
Secondaries	1	4	5	-	10
Special School	1	-	-	-	1
Total	4	23	5	1	33
At 31 August 2020					
Primaries	2	18	-	2	22
Secondaries	1	4	4	1	10
Special School	1	-	-	-	1
Total	4	22	4	3	33
Movement					
Primaries	-	+1	-	-1	-
Secondaries	-	-	+1	-1	-
Special School	-	-	-	-	-
Total	-	+1	+1	-2	-

Charnwood College, which received a full visit in January 2020, resulting in a 'Good' rating being received in many of the categories but 'Requires Improvement' overall, received a monitoring visit in June 2021 which reported that effective action was being taken.

Thomas Hinderwell Primary Academy, which is the Trust's only academy with an 'Inadequate' rating, received a 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. Bobby Moore Academy was inspected in October 2021, the first inspection since opening, achieving a 'Good' rating and Skegness Grammar School was visited in September 2021, achieving an improved rating of 'Good'. Havelock Academy received a monitoring visit in October 2021 and was deemed to be taking effective action. A summary of the latest position, reflecting inspections which have taken place since 31 August 2021, is shown below:

	Outstanding	Good	Requires Improvement	Inadequate	Total
At 13 December 2021					
Primaries	2	19	-	1	22
Secondaries	1	5	4	-	10
All-through	-	1	-	-	1
Special School	1	-	-	-	1
Total	4	25	4	1	34

The David Ross Education Trust

Trustees' Report

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.

Response to the COVID-19 pandemic

Following the Government's closure and then partial re-opening of schools from March 2020 onwards, schools continued to operate in unprecedented circumstances throughout the year ended 31 August 2021, with various periods of partial closure. The Trust's staff have continued to work tirelessly to respond to the requests made of them by the Government, which has included provision of COVID testing, and to provide continual support to parents and pupils throughout these uncertain times.

The Trust followed the Government's guidance for the implementation of protective measures for staff and pupils. Furthermore, in all its actions, the Trust worked hard to ensure risks to staff and pupils were mitigated as far as possible and operating decisions were taken following careful consideration of the balance of risk versus benefit.

During school partial closure periods, the Trust focussed on ensuring pupils continued to engage in their learning. Remote learning approaches were implemented, using a combination of recorded lessons made available online, live lessons and distribution of paper work-packs, supported by calls to home from academy attendance and pastoral staff. In secondary academies. During the January – February 2021 partial closure period, over 90% of pupils in secondary academies either attended school at least weekly or received a welfare call each week. In primary academies, pupil contact rate was in excess of 80% each week. Nationally available resources such as Oak National Academy and BBC Bitesize were integrated into the Trust's curriculum offer where appropriate.

Safeguarding continued to be a priority with staff making frequent telephone calls to homes of pupils considered to be vulnerable but who were not attending school as well as calling all pupils on a regular basis.

The Trust distributed 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 Winter Grant Scheme and Holiday Activities and Food programme 2021.

The Trust welcomed the DfE's Coronavirus summer schools programme funding, which enabled the Trust to deliver a programme of summer schools during July and August 2021 for pupils joining the Trust's secondary academies in Year 7 from September 2021. Over 1,000 pupils participated in the Trust's 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 other 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. In response to the evolving restrictions arising due to the ongoing COVID-19 pandemic, a range of virtual activities were undertaken, alongside in-person clubs and competitions whenever possible.

- Secondary academies ran a total of 2,672 in-person enrichment club sessions, resulting in 44,256 instances of pupil participation, 60 house competitions and 40 fixtures.
- The trust-wide rowing programme was completed virtually incorporating Rowvember, the DRET Rowing Cup, All Stars and National Indoor Championships taking place. The DRET All Star squad won three gold medals at the National Championships.

The David Ross Education Trust

Trustees' Report

- The Cross-Country Cup ran virtually, using tracking software to record distances and times. The cup had 322 participants, with Malcolm Arnold Academy retaining the title.
- Lockdown opportunities were offered for all on a virtual basis, whilst children of key workers attending schools also participated from school. Pupils and staff were able to access and take part online in football freestyle sessions, SAQ sessions dance tutorials, live DRET Sport P.E. lessons, Ultimate Athlete Challenge and DRET You're A Star Wellbeing Challenge, all of which were bespoke and only available within the Trust. This resulted in over 22,000 views of these on YouTube between January 2021 and April 2021.
- Our partnership with the British Paralympic Association allowed our pupils to be inspired, whether in school or at home. Current and former Paralympian athletes set six weekly challenges, Paralympian rower Ben Pritchard ran a live 'evening with' session to tell his story and answer questions whilst Emma Wiggs MBE recorded an inspirational assembly about resilience, to be played in school or at home.
- While schools were partially closed between January – March 2021, the Trust ran a new 'Lockdown Cup' event, won by Bringhurst Primary School and Havelock Academy, which saw 1,484 participants cover 83,124km in 58 days as part of their permitted daily exercise.
- Our first ever Primary Running Cup took place, with every primary academy and pupil setting a time over a specific distance. 4,874 children set a time with 427,400m covered. Malcolm Arnold Preparatory School were named EYFS and KS1 champions, with Bringhurst Primary School winning the KS2 Cup.
- New early essential movement training courses for staff were run alongside our Horizon P.E. Programme with 38 primary academy staff completing the online, REPS-accredited six-week course ran by internationally renowned human movement specialists SAQ International.
- Primary academies also competed in our annual speed throw and speed kick competitions. 988 pupils competed with the fastest throw recorded as 48mph and fastest kick as 47mph.
- Fundraising for the Inspiration Fund included the annual Santa Run, football tournaments and holiday camps delivered, along with a new Colour Run event, leavers hoodies and Route 34 virtual challenge to travel the distance from Thomas Hinderwell Primary Academy in Scarborough to Bobby Moore Academy in London, visiting every Trust academy on the way.
- Three alumni signed professional contracts in football and basketball, with Burton Albion, Peterborough United and Leicester Riders. A pupil from Lodge Park Academy achieved her first cap for England Schools in football and a pupil from Malcolm Arnold Academy was ranked top nationally for 800m in her age category.
- Our elite sport specialisms in basketball at Charnwood College and table tennis at Charles Read Academy continued to run throughout the year, both attracting new players and seeing success towards the end of the academic year as competitions returned.
- The Summer Cup unfortunately could not be held during the year due to COVID-related concerns, but the event was delayed and successfully held in-person in September 2021.

The Trust's enrichment programme also offers a range of opportunities incorporating the arts and music, which complement the Trust's music curriculum. Although COVID-19 unfortunately affected the viability of most practical music-making in schools, the Trust was able to provide:

- Vocal and instrumental tuition through Zoom, accessed by 600 secondary students;
- The Berkeley Ensemble Composition Challenge (January – March 2021), in which professional musicians workshopped and performed GCSE and A-Level compositions, with weekly surgeries on Zoom;

The David Ross Education Trust

Trustees' Report

- The Primary Carol Service, led by choirs from Eastfield Academy, Falconer's Hill Academy, Malcolm Arnold Academy and Quay Academy, broadcast live over the internet, in which all primary pupils participated from their classrooms;
- The Secondary Music Festival (March 2021) live-streamed over the internet;
- The Nevill Holt Songbook Project (January – May 2021) was accessed by over 100 secondary pupils across the Trust; and
- The Summer of Singing, in partnership with Sing Up, accessed by all schools, culminating in whole school 'Big Sings'.

Our Brass Band project, with funds provided by Youth Music, had again been postponed because of COVID-19. The full value of the grant income received in respect of the brass band project was carried forward at year end.

Key Financial Performance Indicators

The trust's net movement in funds for the year comprises £2.7m in-year revenue surplus and £4.9m increase in fixed asset funds, more than offset by £13.7m increase in restricted pension funds deficit.

	2020/21 £000	2020/21 £000	2019/20 £000	2019/20 £000
Revenue income	86,200		81,657	
Revenue expenditure net of gain/(loss) on investment assets	(83,122)		(80,739)	
Transfer to Restricted Fixed Asset Fund	(374)		-	
Net revenue surplus/(deficit) for the year		2,704		918
Movement on restricted pension fund		(13,742)		(5,130)
Movement on Restricted Fixed Asset Funds		4,905		(809)
Net movement in funds		(6,133)		(5,021)

Note 18 to the financial statements provides further details on the funds carried forwards 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 and amortisation 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 2022 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 2024 and the income and expenditure result for the first two months of the year ending 31 August 2022.

The David Ross Education Trust

Trustees' Report

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:

- consideration of the impact of COVID-19 and Brexit on the Trust's future financial performance which present risk of increased cost from increased staff absence due to sickness and self-isolation and risk of double-digit inflation in energy costs, supplies such as food and buildings maintenance materials, and high wage inflation in certain sectors such as catering which could present a staff recruitment and retention risk to the Trust;
- likely 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 might be reasonably expected to increase if pension liabilities continue to increase as in recent years;
- 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 2022. 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 David Ross Education Trust

Trustees' Report

The impact of the Trust on its community are, 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 building and sports facilities available for hire by members of the local community, outside of school hours. To the extent possible (when not curtailed by COVID restrictions), trustees regularly visit schools to engage with staff and pupils and experience the school environment first-hand.

The David Ross Education Trust

Trustees' Report

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 2021 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. 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 2021, 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 by £2.7m (2020: £0.9m). This resulted in closing reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2021 being a surplus of £2.6m (2020: £0.1m deficit).

The in-year net surplus revenue result was after incurring £0.1m (2020: £0.2m) of staff restructuring costs and recognising £0.1m gain (2020: £0.1m loss) on revaluation of investment shareholdings.

The restricted fixed asset fund shows in-year income of £8.5m (2020: £4.0m), of which, £4.7m relates to a new classroom block constructed at Eresby Special School, which was constructed on the Trust's existing site having been funded directly by the Local Authority.

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 £51.2m (2020: £37.4m).

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, similarly to the prior year, the Trust's income and expenditure were impacted as a result of the COVID-19 pandemic, the associated partial closure of schools and wider societal restrictions.

- The Trust suffered lost trading income from cessation of lettings, lost catering income where pupils would have purchased meals, lost boarding income due to the required closure of the boarding house at Skegness Grammar School, lost fundraising income due to the necessary cancellation of planned fundraising events and lost income from the provision of wraparound before and after school clubs.
- The Trust has also incurred incremental costs in relation to cleaning and hygiene, IT-related costs to enable remote learning and working, and facilities and equipment costs associated with making operational changes to allow schools to fully re-open as safely as possible from September 2020 onwards, as well as costs associated with providing additional academic and pastoral support for pupils who had missed periods of face-to-face teaching in the prior year or might have been adversely affected by the pandemic in other ways.
- In many regards, despite schools being only partially open at times, the Trust continued to incur many costs as usual, including staff salaries, facilities-related overheads, IT-related overheads and other fixed overhead costs in line with continued operational needs and contractual commitments.
- The Trust took a range of actions to mitigate the impact of the lost revenue and incremental expenditure, to ensure that funding received for the benefit of pupils' education remained available for that purpose. The actions taken included holding vacancies open where possible and avoiding use of agency staff as far as possible, particularly during periods of school closure and cancelling some enrichment activities and educational visits.

The David Ross Education Trust

Trustees' Report

- The trustees were pleased that the Government recognised the increased financial pressure the pandemic has placed on schools and welcomed receipt of the ESFA's COVID catch-up grant which enabled the Trust to significantly invest in small group tuition and enhanced pastoral care of pupils, as well as the Coronavirus summer schools programme funding and grant funding provided to support the incremental operational costs associated with COVID testing.

At 31 August 2021, the Trust held a significant amount of cash at bank, £17.5m (2020: £11.1m). 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. 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 2021 of £104.9m (2020: £111.1m) comprising £103.6m (2020: £109.7m) of restricted funds and £1.4m (2020: £1.4m) of unrestricted general funds. The Trust's restricted funds include a pension reserve deficit of £51.2m (2020: £37.4m), restricted fixed asset funds of £153.5m (2020: £148.6m) which could only be realised by disposing of tangible fixed assets and restricted general funds (excluding pension reserve) of £1.2m (2020: -£1.4m).

The Trust's unrestricted funds and restricted general funds (excluding pension reserve) together form the Trust's revenue reserves of £2.6m surplus (2020: £0.1m deficit). 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 third consecutive year, the revenue reserves position has returned to a modest surplus position, albeit at 3% of revenue income for the year ended 31 August 2021, this is still below the target range. The Trust has put into place plans to continue to increase the level of revenue reserves back to within its target range, by continued focus on improving financial management and value for money, through a focus on procurement and supplier management as well as continued use of integrated curriculum financial planning to ensure staffing expenditure is appropriately controlled, to balance the need to rebuild reserves with the importance of best meeting the needs of current pupils.

The balance on the Trust's Endowment Funds, which do not form part of the Trust's revenue reserves, is currently £nil (2020: £nil). The 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 element of the Trust's Endowment Funds will need to be replaced over time from academy funds and the Trust has confirmed that it will accumulate reserves over time to rebuild the amounts received from expendable endowments to potentially fund future development projects. In accordance with Charity Commission Orders relating to these Endowment Funds, recoupment will commence in the year ending 31 August 2022.

Investment Policy

The trustees agree all investments made by the Trust. Investments are currently restricted to deposit accounts in UK banks and some equities. 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.

The David Ross Education Trust

Trustees' Report

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 trustees continue to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching quality, health and safety, safeguarding, school trips, recruitment and retention of teaching staff, critical incident response) 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 rebuild the Trust's financial reserves, 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 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, increased risks relating to safeguarding and mental health and increased risks relating to IT and data security, particularly in light of the increase in remote learning and working.

The David Ross Education Trust

Trustees' Report

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.

Unfortunately, the planned face-to-face awards event which was to be funded by donations from corporate sponsors had to be cancelled due to COVID-19 and instead held on-line. Many other planned fundraising events at both school and trust-level also had to be cancelled.

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.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	24,928,265	21,994,727
Energy consumption break down (kWh)		
- Gas	17,688,845	14,998,920
- Electricity	6,809,999	6,501,317
- Transport fuel	429,421	494,490
Scope 1 emissions in metric tonnes CO2e		
- Gas consumption	3,239.89	2,757.85
- Owned transport (mini-buses)	56.57	32.46
- Total scope 1	3,296.46	2,790.31
Scope 2 emissions in metric tonnes CO2e		
- Purchased electricity	1,445.97	1,515.72
Scope 3 emissions in metric tonnes CO2e		
- Business travel in employee owned vehicles	43.93	84.11
Total gross emissions in metric tonnes CO2e	4,786.36	4,390.14
Intensity ratio: kgCO2e per pupil	343.31	324.81

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 2020, 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.

The David Ross Education Trust

Trustees' Report

Measures taken to improve energy efficiency

- Works to improve roofing insulation in some academies.
- Heating system repairs and replacements 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 2021/22, 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.
- Increased use of video conferencing technology for staff meetings, to reduce the need for travel between sites.

Increases in energy consumption and the associated emissions over the 2020/21 reporting year in comparison to 2019/20 are attributable to the closure of academies for a significant portion of the 2019/20 reporting year due to the COVID pandemic. Although there were also periods of school closure during 2020/21 due to the pandemic, many of these closures were partial, in contrast to the fuller closures seen in 2019/20, so the energy consumption reduction during 2020/21 was not to the same extent as that in 2019/20. It is possible that energy consumption may increase further in 2021/22 as schools are expected to be fully operational for the entire year, although the energy efficiency improvement measures undertaken are expected to reduce consumption going forwards.

The David Ross Education Trust

Trustees' Report

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 pages 5-6) 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. 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. In the short term, there will be a key focus on our six priorities for post-COVID recovery:

- 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.

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

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
Bringinghurst 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
Hogsthorpe 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 David Ross Education Trust Endowment Fund was established in accordance with a deed of gift and declaration of trust, agreed between the Trust, The David Ross Foundation, and the Department for Education.

Details of the trustees who served during the year and to the date these accounts are approved, are included in the Reference and Administrative Details on Page 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 under which the UK Government covers losses that arise. This scheme protects trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of Recruitment and Appointment or Election of Trustees

Members of the charitable company are nominated by The Ross Foundation (previously known as The David Ross Foundation), the sponsor of the Trust. The articles of association require the members of the charitable

The David Ross Education Trust

Trustees' Report

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 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 academies), 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 and the Chief People Officer. Central services include education improvement, human resources, finance, estates and facilities management, information technology and management information, public relations, marketing and

The David Ross Education Trust

Trustees' Report

communications and governance and information governance. 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)	2	2
J Hoareau	2	2
D Ross	0	2

Although D Ross was unable to attend either of the meetings during the year, he has provided his views to the Committee members and has maintained a high level of involvement in discussions of the key issues being considered by the Committee and the decisions made.

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.

Setting of the Chief Executive's remuneration, and associated performance targets and review, is carried out by the Chair of the Trust Board.

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 and their salaries determined in consultation with the Chief People Officer by benchmarking against market rates.

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

Facility time publication legislation requires public sector employers with more than 49 full-time-equivalent employees to 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

The David Ross Education Trust

Trustees' Report

undertaking union duties (but not activities).

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:	19
Full-time equivalent employee number:	17.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	11
1% - 50%	8
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time:	£2,500
Total pay bill:	£63.8m
% of total pay bill spent on facility time:	0.004%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours:	18%
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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 of Malcolm Arnold Academy. Further donations from the Foundation have subsequently been received. The board of trustees is responsible for determining the specific uses of the Endowment Funds, which have now been fully invested in enhancing the provision of education at the Trust's academies.

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), Uppingham School and Nevill Holt Opera, 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 2021.

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

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 reports on its activities and achievements on a termly basis to the HR and Remuneration 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 suppliers, customers (pupils and their parents or carers), the wider community 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.

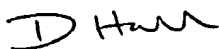
Principals are responsible for identifying and engaging with their pupil and parent populations, as well as appropriate stakeholders in their local communities, including representatives of Local Authorities, local businesses, and Principals of neighbouring schools which are not members of the Trust. 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 13 December 2021 and signed on the board's behalf by:



D Hall
Trustee

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.

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)	5	6
B Brown (resigned 28 September 2020)	1	1
P Cantley (appointed 28 September 2020)	6	6
C Counsell	6	6
R Emerton	5	6
Sir A Foster (resigned 30 November 2020)	2	2
D Hall	6	6
J Hoareau	6	6
Bishop of Brixworth J Holbrook (resigned 27 September 2020)	0	0
N Langstaff	5	6
T Maloney	6	6
M Oliver	5	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. A focus on the Trust's COVID-19 pandemic response delayed the scheduled external governance review in spring 2020 however internal audit reviews have informed trustees in relation to the effectiveness of the governance arrangements. It is expected that an external review will be scheduled during 2021/22.

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

The David Ross Education Trust

Governance Statement

S Deane (Non-trustee member)	4	4
A Medicott-Revell (Non-trustee member)	1	4
M Oliver	4	4

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)	4	4
D Hall (co-Chair)	4	4
Sir A Foster (resigned 30 November 2020)	1	1
J Hoareau	4	4
N Teagle (Non-trustee member)	3	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 financial 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 (resigned 27 September 2020)	1	1
P Cantley (appointed 28 September 2020)	3	3
P French (Non-trustee member, resigned 28 September 2020)	1	1
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.

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.

During the year, as in the prior year, in line with government direction in response to the ongoing coronavirus pandemic, the Trust's schools were mandated to partially close for various periods. During this time, government guidance and policy regarding school opening and operating practices changed rapidly and frequently.

The Trust operated a cross-functional project team made up of central leaders and Principals to lead the response to these changes in a consultative and co-ordinated manner. Part of the focus of this project group was ensuring that, through the decisions made and actions taken, consideration was given to ensuring as

The David Ross Education Trust

Governance Statement

effective use of public funds as possible and taking consideration of the Cabinet Office Procurement Policy Notes published throughout this period. However, due to the rapidly changing and unprecedented circumstances, in some areas of expenditure, reduced value for money was unavoidable.

- The main cause of reduced value for money was in relation to staff. Those who could work from home during the period of partial school closure were enabled to do so and redeployed to alternative activities as far as possible, but for some staff this was not possible. In line with government guidance and their employment contracts, the Trust continued to pay these and all staff as normal.
- In the case of expenditure with suppliers, many of the services which the Trust purchases were still required, despite schools being closed, for example grounds and buildings maintenance, software licences or rental payments for leased assets.
- The largest supplier relationship which was significantly impacted by the school closure period was that with the Trust's main catering provider. In this case, the Trust continued operating its contract variation put into place in the prior year, based on the template published by the Cabinet Office, to provide relief to this supplier and ensure continuity of an altered service for schools.

In addition to the actions taken to achieve best possible value for money in the face of changing circumstances due to COVID-19, the accounting officer for the 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;
- Recruitment of a dedicated in-house procurement professional to drive improvement in the Trust's procurement practices;
- A capital programme prioritised at improving health and safety, balanced with improving standards in our academies and energy efficiency improvements;
- Regular meetings of all primary and all secondary principals to share strategies and good practice;
- 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

The David Ross Education Trust

Governance Statement

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and 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;
- processes around recording and reporting of pupil data;
- processes to maximise claims for available grant income;
- payroll and expenses;
- information governance processes;
- education quality assurance and improvement processes;
- IT cyber security.

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 2021. Some work was re-planned according to evolving priorities, for example, review of trip planning was postponed until 2022 due to trips being curtailed recently due to COVID-19. No material control or other issues were reported by the internal auditor during the year and positive assurance has been reported relating to effective risk management, governance and control processes.

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;

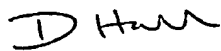
The David Ross Education Trust

Governance Statement

- 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.

Approved by order of the members of the board of trustees on 13 December 2021 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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

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



S Burns
Accounting Officer

13 December 2021

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:

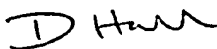
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 13 December 2021 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 'Academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and

The David Ross Education Trust

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

non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy'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 Academy 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 Academy 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 Academy 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 Academy 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, Academies Financial Handbook, UK Companies Act 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 Academy'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 Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy 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: 17 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

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

Conclusion

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

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



Pamela Tuckett FCA DChA (Reporting accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 17 December 2021

The David Ross Education Trust

Statement of Financial Activities for the year ended 31 August 2021

(including Income and Expenditure Account)

				2020/21	2019/20
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	2	-	91	8,501	8,592
Charitable activities:					
Funding for the academy trust's educational operations	3	-	84,876	-	84,876
Provision of boarding activities	32	-	86	-	86
Teaching school hub	33	-	70	-	70
Other trading activities	4	549	520	-	1,069
Investments	5	8	-	-	8
Total		557	85,643	8,501	94,701
Expenditure on:					
Raising funds	6	534	44	-	578
Charitable activities:					
Academy trust educational operations	6	-	86,817	3,945	90,762
Provision of boarding activities	6, 32	-	217	25	242
Teaching school hub	33	-	70	-	70
Total		534	87,148	3,970	91,652
Net income/(expenditure)		23	(1,505)	4,531	3,049
Transfers between funds	18	-	(374)	374	-
Other recognised gains/(losses):					
Gains/(losses) on investment assets		-	128	-	128
Actuarial (losses) /gains on defined benefit pension schemes	34	-	(9,310)	-	(9,310)
Net movement in funds		23	(11,061)	4,905	(6,133)
Reconciliation of funds					
Total funds / (deficit) brought forward		1,351	(38,891)	148,608	111,068
Total funds / (deficit) carried forward		1,374	(49,952)	153,513	111,068

Restricted general funds are made up as follows:

Restricted general fund	1,237
Restricted pension fund	(51,189)
Total	(49,952)

The David Ross Education Trust

Statement of Financial Activities for the Year Ended 31 August 2020

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019/20 £000
Income and endowments from:					
Donations and capital grants	2	58	57	3,245	3,360
Charitable activities:					
Funding for the academy trust's educational operations	3	-	79,588	750	80,338
Provision of boarding activities	32	-	134	-	134
Other trading activities	4	745	1,054	-	1,799
Investment income	5	21	-	-	21
Total		824	80,833	3,995	85,652
Expenditure on:					
Raising funds		845	531	-	1,376
Charitable activities:					
Academy trust educational operations		-	83,453	4,773	88,226
Provision of boarding activities	32	-	303	31	334
Total	6	845	84,287	4,804	89,936
Net income / (expenditure)		(21)	(3,454)	(809)	(4,284)
Transfers between funds	18	-	-	-	-
Other recognised gains / (losses):					
Gains / (losses) on investment assets		-	(106)	-	(106)
Actuarial (losses) / gains on defined benefit pension schemes	34	-	(631)	-	(631)
Net movement in funds		(21)	(4,191)	(809)	(5,021)
Reconciliation of funds					
Total funds / (deficit) brought forward		1,372	(34,700)	149,417	116,089
Total funds / (deficit) carried forward		1,351	(38,891)	148,608	111,068
Restricted general funds were made up as follows:					
Restricted general fund			(1,444)		
Restricted pension fund			(37,447)		
Total			(38,891)		

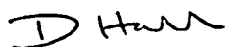
The David Ross Education Trust

(Company number: 06182612)

Balance Sheet as at 31 August 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		148,573		145,312
Investments	14		21		332
Current assets					
Debtors	15	2,243		3,420	
Cash at bank and in hand		17,488		11,089	
		<u>19,731</u>		<u>14,509</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(11,204)		(10,076)	
Net current assets			<u>8,527</u>		<u>4,433</u>
Total assets less current liabilities			157,121		150,077
Creditors: Amounts falling due after more than one year	17	(997)		(1,562)	
Net assets excluding pension liability			156,124		148,515
Defined benefit pension scheme liability	34	(51,189)		(37,447)	
Total net assets			<u>104,935</u>		<u>111,068</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund		153,513		148,608	
Restricted income fund		1,237		(1,444)	
Pension reserve		(51,189)		(37,447)	
Total restricted funds			103,561		109,717
Unrestricted income funds			1,374		1,351
Total funds	20		<u>104,935</u>		<u>111,068</u>

The financial statements on pages 38 to 67 were approved by the trustees and authorised for issue on 13 December 2021 and are signed on their behalf by



D Hall
Trustee

The David Ross Education Trust

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	4,898	2,117
Cash flows from investing activities	24	1,717	1,659
Cash flows from financing activities	25	(216)	(230)
Change in cash and cash equivalents in the reporting period		<u>6,399</u>	<u>3,546</u>
 Cash and cash equivalents at 1 September 2020		 11,089	 7,543
Cash and cash equivalents at 31 August 2021	26	<u><u>17,488</u></u>	<u><u>11,089</u></u>

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2020 to 2021 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 2022 and forecasts for beyond this to 31 August 2024, changes arising from the COVID-19 pandemic and Brexit and projected student numbers for the year ending 31 August 2022, 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 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.

The Trust has previously benefited from the ESFA's Free School Building Programme for the construction of two sites for Bobby Moore Academy. The funding for the programme was not recognised as a capital grant until there was unconditional entitlement from costs being incurred and the development occurring on a site where the academy trust controls (through lease) the site where the development occurred. The expenditure was capitalised in assets under construction until the project was complete.

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 measured reliably.

Donations

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

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'.

The Trust holds a number of land and buildings on short term leases where rent is charged at below market rent. The financial statements show a notional rental for the buildings based on building valuations compiled by the Valuation Office Agency.

Donated fixed assets

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Purchased computer software	3 years

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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies (continued)

Stock

Unsold uniforms and catering stocks are included on a first in first out basis and valued at the lower of cost or net realisable value.

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.

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 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. 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.

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

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The academy trust obtains use of fixed 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.

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020/21	Total 2019/20
	£000	£000	£000	£000	£000
Capital grants - DfE Group	-	-	3,132	3,132	3,015
Other capital grants	-	-	186	186	230
Other donations	-	91	5,183	5,274	115
Total voluntary income	-	91	8,501	8,592	3,360

Included within donations and capital grants is £5,142,000 (2020: £nil) of donated fixed assets.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020/21	Total 2019/20
	£000	£000	£000	£000	£000
DfE / ESFA grants					
General Annual Grant (GAG)	-	69,258	-	69,258	66,535
Start Up Grants	-	174	-	174	200
UIFSM	-	932	-	932	704
Pupil Premium	-	4,699	-	4,699	4,626
Teachers' Pay Grant	-	840	-	840	815
Teachers' Pension Employer Contribution Grant	-	2,373	-	2,373	2,301
Other DfE / ESFA grants	-	490	-	490	434
Other DfE Group grants	-	-	-	-	-
	-	78,766	-	78,766	75,615
Other Government grants					
Local authority grants	-	3,552	-	3,552	3,095
Special educational projects	-	125	-	125	82
	-	3,677	-	3,677	3,177
Other income from the academy trust's educational operations	-	669	-	669	880
COVID-19 additional funding (DfE / ESFA)					
Catch-up premium	-	1,071	-	1,071	-
Other DfE / ESFA COVID-19 funding	-	578	-	578	465
COVID-19 additional funding (non-DfE / ESFA)					
Coronavirus Job Retention Scheme grant	-	-	-	-	201
Other COVID-19 funding	-	115	-	115	-
Total	-	84,876	-	84,876	80,338

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals, Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant is no longer reported under the Other DfE Group grants heading, but as a separate line. The prior year numbers have been reclassified.

The academy trust received £1,071k of funding for COVID catch-up premium and costs incurred in respect of this funding totalled £1,071k, with the £nil carried forward to be spent in 2021/22.

- Other DfE / ESFA COVID-19 funding includes £366k relating to funding for provision of COVID testing, £24k COVID Workforce Fund and £188k funding for summer schools. In the prior year, this additional funding of £465k related mainly to the provision of supermarket vouchers to eligible families as a substitute for benefits-related free school meals and also a small amount of incremental utility costs associated with the exceptional opening of schools during school holiday periods. Associated costs are included in notes 6 and 7 below as appropriate.

- In the prior year, the academy furloughed some of its catering, boarding, facilities, enrichment, fundraising, early years, wraparound care and admin staff under the government's CJRS. The funding received of £215k relates to staff costs which are included within note 8 below as appropriate. In the year ending 31 August 2021, some staff were furloughed for a short period of time but when it became apparent, as the year progressed, that the trust expected to return to an overall revenue reserves surplus by the end of the year, the CJRS funding received in relation to this year was repaid to HMRC.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

4 Other trading activities

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020/21	Total 2019/20
	£000	£000	£000	£000	£000
Hire of facilities	139	-	-	139	208
Income from ancillary trading activities	123	-	-	123	192
Income from other charitable activities	287	44	-	331	844
Gifts in kind	-	476	-	476	555
	<u>549</u>	<u>520</u>	<u>-</u>	<u>1,069</u>	<u>1,799</u>

5 Investment income

	Unrestricted Funds	Total 2020/21	Total 2019/20
	£000	£000	£000
Bank interest	1	1	5
Dividends	7	7	16
	<u>8</u>	<u>8</u>	<u>21</u>

6 Expenditure

	Staff costs £000	Premises £000	Other costs £000	Total 2020/21 £000	Total 2019/20 £000
Expenditure on raising funds and costs of trading activities:	475	15	88	578	1,376
Academy Trust's educational operations:					
Direct costs	58,852	-	4,670	63,522	60,528
Allocated support costs	10,101	7,891	9,248	27,240	27,698
	68,953	7,891	13,918	90,762	88,226
Boarding activities:					
Direct costs	-	-	9	9	24
Allocated support costs	177	27	29	233	310
	177	27	38	242	334
Teaching school hub	66	-	4	70	-
	69,671	7,933	14,048	91,652	89,936

Net expenditure for the year includes:

	2020/21 £000	2019/20 £000
Operating lease rentals	1,419	1,388
Depreciation	3,970	3,882
Loss on disposal of fixed assets	-	172
Fees payable to auditor for:		
- audit	55	73
- other services	14	-

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amounts £000	Reason
Compensation payments	159	84	Claimant trip on a kerb in 2017
		75	Claimant with respiratory problems
Unrecoverable debts	15	nil	not applicable
Cash losses	6	nil	not applicable

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

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

7 Charitable activities

	Educational operations 2020/21 £000	Boarding 2020/21 £000	Teaching School Hub 2020/21 £000	Total 2020/21 £000	Total 2019/20 £000
Analysis of support costs					
Support staff costs	10,101	177	22	10,300	10,324
Depreciation	3,945	25	-	3,970	3,882
Technology costs	995	-	-	995	1,098
Premises costs	7,891	27	-	7,918	7,836
Legal costs	48	-	-	48	67
Other support costs	4,136	4	4	4,144	4,682
Governance costs	124	-	-	124	119
Total support costs	27,240	233	26	27,499	28,008

8 Staff

a. Staff costs

	2020/21 £000	2019/20 £000
Staff costs during the year were:		
Wages and salaries	49,017	46,080
Social security costs	4,488	4,221
Pension costs	13,933	13,605
	67,438	63,906
Agency staff costs	1,478	1,482
Staff restructuring costs	94	206
	69,010	65,594
Staff restructuring costs comprise:		
Redundancy payments	22	173
Severance payments	72	33
	94	206

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.

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

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £51k (2020: £10k). Individually, the payments were: £2k, £3k, £4k, £7k and £35k.

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:

	2020/21 No.	2019/20 No.
Teachers	805	765
Administration and support	1,038	1,052
Management	41	38
	1,884	1,855

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

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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:

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	32	31
£70,001 - £80,000	10	11
£80,001 - £90,000	11	8
£90,001 - £100,000	8	6
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	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 £818,905 in relation to 5 employees (2020: £715,063; 4 employees).

9 Central services

During the years ended 31 August 2021 and 31 August 2020, 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 Academies Financial 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 expenses, from the Trust in respect of their role as trustees, for either the year ended 31 August 2021 or the year ended 31 August 2020. During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed or paid directly to trustees (2020: £2,443 to 5 trustees).

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 2021

12 Intangible fixed assets

	Software	Total
	£000	£000
Cost		
At 1 September 2020	369	369
Additions	-	-
Transfers	-	-
At 31 August 2021	369	369
Amortisation		
At 1 September 2020	369	369
Charge for the year	-	-
Transfers	-	-
At 31 August 2021	369	369
Carrying amount		
At 31 August 2021	-	-
At 31 August 2020	-	-

13 Tangible fixed assets

	Freehold Land and Buildings	Freehold Improvements	Leasehold Land and Buildings	Leasehold Improvements	Furniture and equipment	Plant and Machinery	Computer equipment	Motor Vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost										
At 1 September 2020	45,660	-	113,842	734	3,183	1,439	7,596	-	12	172,466
Reclassification of asset categories	(2,675)	2,245	(2,873)	2,509	-	794	-	-	-	-
Reclassified cost at 1 September 2020	42,985	2,245	110,969	3,243	3,183	2,233	7,596	-	12	172,466
Additions	126	297	4,730	513	90	445	989	41	-	7,231
Transfers	-	5	-	7	-	-	-	-	(12)	-
At 31 August 2021	43,111	2,547	115,699	3,763	3,273	2,678	8,585	41	-	179,697
Depreciation										
At 1 September 2020	4,735	-	11,737	159	2,995	466	7,062	-	-	27,154
Reclassification of asset categories	(126)	130	(227)	204	-	19	-	-	-	-
Reclassified depreciation at 1 September 2020	4,609	130	11,510	363	2,995	485	7,062	-	-	27,154
Charge for the year	637	44	2,306	190	65	212	505	11	-	3,970
At 31 August 2021	5,246	174	13,816	553	3,060	697	7,567	11	-	31,124
Net book values										
At 31 August 2021	37,865	2,373	101,883	3,210	213	1,981	1,018	30	-	148,573
At 31 August 2020	40,925	-	102,105	575	188	973	534	-	12	145,312

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

- £4.7m relating to a new classroom block constructed at Eresby Special School, funded by the Lincolnshire County Council;
- £0.4m relating to laptops donated by the DfE in response to the COVID-19 pandemic;
- £0.2m relating to construction of a new outdoor multi-use games area at Charnwood College, funded by Leicestershire County Council;
- £1.1m of classroom and school environment improvement works at several academies
- continued investment in IT equipment at Bobby Moore Academy as the school grows towards capacity.

Included in Freehold Land and Buildings is land of £8,525,000 (2020: £8,525,000) which is not depreciated.

At the start of the year, the Trust undertook a review of fixed assets and increased the number of categories assets are classified into, to better align to the Academies Accounts Direction.

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

14 Investments

	Investments £000
Cost or valuation	
At 1 September 2020	332
Additions	17
Revaluation	128
Disposal	(456)
At 31 August 2021	<u>21</u>

Investments are analysed as follows for all fund holdings in excess of 5%

	2021	2020
UK high income		
Carphone Warehouse Group plc ord 0.001	0%	35%
Talk Talk Telecom Group plc ord 0.001	0%	65%
Cordiant Digital Infrastructure Ltd	100%	0%

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 2021 was £nil, expenditure was £nil and the profit/(loss) for the year was £nil. The assets of the company at 31 August 2021 were £nil, liabilities were £nil and capital and reserves were £nil. During the year ended 31 August 2021 the Trust sold most of its investment shareholdings and the remaining shareholdings are immaterial.

15 Debtors

	2021 £000	2020 £000
Trade debtors	34	139
VAT recoverable	374	772
Other debtors	63	680
Prepayments and accrued income	<u>1,772</u>	<u>1,829</u>
	<u>2,243</u>	<u>3,420</u>

The Trust has written off £15,000 (2020: £nil) of trade debtors due to the age and small values individually of these balances resulting in them being unrecoverable.

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

16 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	1,144	754
Other taxation and social security	1,143	1,029
ESFA creditor: abatement of GAG	569	625
Pension scheme creditor	1,361	1,240
Loans	197	185
Other creditors	80	708
Accruals and deferred income	6,710	5,535
	<u>11,204</u>	<u>10,076</u>
	2021	2020
	£000	£000
Deferred income at 1 September 2020	1,159	1,192
Released from previous years	(850)	(1,102)
Resources deferred in the year	624	1,069
Deferred income at 31 August 2021	<u>933</u>	<u>1,159</u>

At the balance sheet date the academy trust was holding funds of £933,000 (2020: £1,159,000) received in advance, mainly in respect of Universal Infant Free School Meal funding and Early Years Funding received in advance for the autumn term 2021.

Included in creditors due within one year are interest free loans of £27,000 (2020: £28,000) from Salix. Amounts falling due after one year of £58,000 (2020: £84,000) 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. £400k was included in creditors falling due after one year as at 31 August 2020 in respect of this.

17 Creditors: amounts falling due after one year

	2021	2020
	£000	£000
Loans	957	1,162
Provision	40	-
ESFA creditor: advance of GAG	-	400
	<u>997</u>	<u>1,562</u>

Included in creditors is a capital loan from the Education and Skills Funding Agency totalling £1,069,000 (2020: £1,235,000), 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.; £170,000 (2020: £157,000) is included within creditors falling due within one year and £899,000 (2020: £1,078,000) 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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

18 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	(1,384)	69,258	(66,221)	(202)	1,451
Start Up Grants	-	174	(174)	-	-
UIFSM	-	932	(932)	-	-
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	-	3,703	(3,623)	-	80
Local Authority funding	-	3,552	(3,552)	-	-
Gifts in kind	-	476	(476)	-	-
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)	85,643	(87,148)	(9,556)	(49,952)
Restricted fixed asset funds					
DfE capital grants	46,512	3,132	(1,704)	-	47,940
DfE donated assets	-	412	(97)	-	315
Proceeds from disposal of fixed assets	750	-	(15)	-	735
Capital expenditure from other grant income	6,570	186	-	374	7,130
Private sector capital donations	4,289	41	(36)	-	4,294
Donation of transferred assets from local authority	90,487	4,730	(2,118)	-	93,099
	148,608	8,501	(3,970)	374	153,513
Other restricted funds					
Endowment funds	-	-	-	-	-
Total restricted funds	109,717	94,144	(91,118)	(9,182)	103,561
Unrestricted general funds	1,351	557	(534)	-	1,374
Total funds	111,068	94,701	(91,652)	(9,182)	104,935

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

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

18 Funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	(2,511)	66,535	(65,302)	(106)	(1,384)
Start Up Grants	-	200	(200)	-	-
Pupil Premium	-	4,626	(4,626)	-	-
Other DfE / ESFA grants	-	4,254	(4,254)	-	-
Local Authority funding	-	3,095	(3,095)	-	-
Gifts in kind	-	555	(555)	-	-
Other income	122	1,434	(1,453)	-	103
Provision for boarding	6	134	(303)	-	(163)
Pension reserve	(32,317)	-	(4,499)	(631)	(37,447)
	(34,700)	80,833	(84,287)	(737)	(38,891)
Restricted fixed asset funds					
DfE capital grants	47,520	3,015	(4,023)	-	46,512
Proceeds from disposal of fixed assets	-	750	-	-	750
Capital expenditure from grant income	6,340	230	-	-	6,570
Private sector capital donations	4,320	-	(31)	-	4,289
Donation of transferred assets from local authority	91,237	-	(750)	-	90,487
	149,417	3,995	(4,804)	-	148,608
Other restricted funds					
Endowment funds	-	-	-	-	-
Total restricted funds	114,717	84,828	(89,091)	(737)	109,717
Unrestricted general funds	1,372	824	(845)	-	1,351
Total funds	116,089	85,652	(89,936)	(737)	111,068

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 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 which includes a deemed donation in lieu of rental charges for an academy where the Trust's occupancy basis is a licence granted by the Local Authority, for which the Trust pays no rent.
- (vi) Other income is deemed to be restricted where the funder places conditions on how the income can be spent.
- (vii) Restricted fixed assets were funded by capital grants from DfE, Local Authorities or from the private sector.
- (viii) The restricted expendable 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.

18 Funds (continued)

The academy trust is carrying a net surplus of £2.6m (2020: £0.1m deficit) on restricted general funds (excluding pension reserve) plus unrestricted funds, which is lower than the target range as set out in the Trust's reserves policy. This has arisen as a result of a combination of factors. The academy trust has taken a range of actions over the last few years to return these funds to a surplus position and will continue to work to gradually rebuild revenue reserves to within its target range over future years.

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 Academies Financial 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 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 2021

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 2020/21 £000	Total 2019/20 £000
Abbey CE Academy	643	69	36	317	1,065	895
Ainthorpe Primary Academy	1,067	69	46	194	1,376	1,409
Barnes Wallis Academy	2,015	250	98	384	2,747	2,469
Bobby Moore Academy	3,174	295	290	960	4,719	3,536
Briar Hill Primary School	1,303	51	52	298	1,704	1,667
Brighthurst Primary School	565	54	22	164	805	706
Cedar Road Primary School	1,191	51	52	269	1,563	1,561
Charles Read Academy	1,397	224	59	363	2,043	2,048
Charnwood College	2,461	354	184	696	3,695	3,858
Eastfield Academy	784	32	49	227	1,092	1,144
Edward Heneage Primary Academy	1,164	91	64	180	1,499	1,364
Endike Primary Academy	1,574	78	63	362	2,077	1,867
Eresby Special School	1,158	86	37	139	1,420	1,351
Fairfield Academy	1,178	117	72	168	1,535	1,563
Falconer's Hill Academy	682	69	93	147	991	999
Greenfields Primary School	1,264	117	86	435	1,902	1,626
Havelock Academy	3,960	460	204	1,159	5,783	5,588
Hogsthorpe Primary Academy	309	27	7	72	415	378
Humberston Academy	3,178	411	170	443	4,202	4,032
Ingoldsby Academy	245	20	31	98	394	327
King Edward VI Academy	2,319	279	143	453	3,194	3,153
Kings Heath Primary Academy	1,174	43	113	330	1,660	1,626
Lodge Park Academy	3,918	356	278	590	5,142	4,744
Malcolm Arnold Academy	4,943	484	473	826	6,726	6,637
Malcolm Arnold Preparatory School	1,073	53	63	158	1,347	1,179
Newnham Primary School	341	33	28	64	466	468
Quay Academy	1,382	56	68	382	1,888	1,841
Rockingham Primary School	941	98	72	132	1,243	1,203
Skegness Grammar School	2,427	455	193	581	3,656	3,539
The Arbours Primary Academy	914	78	53	362	1,407	1,519
Thomas Hinderwell Primary Academy	1,114	71	66	311	1,562	1,352
Thomas Middlecott Academy	2,124	186	109	486	2,905	2,918
Welton CE Primary Academy	411	42	36	119	608	547
Wold Academy	2,007	103	79	336	2,525	2,453
Central services	2,060	3,517	327	1,990	7,894	9,066
Academy Trust	56,460	8,779	3,816	14,195	83,250	80,633

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 2021

20 Analysis of net assets between funds
Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	148,573	148,573
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)	153,513	104,935

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	145,312	145,312
Investments	-	332	-	332
Current assets	1,422	7,621	5,466	14,509
Current liabilities	(71)	(8,997)	(1,008)	(10,076)
Non-current liabilities	-	(400)	(1,162)	(1,562)
Pension scheme liability	-	(37,447)	-	(37,447)
Total net assets	1,351	(38,891)	148,608	111,068

21 Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	40	550

Capital commitments at the balance sheet date mainly relate to science laboratory refurbishment works at King Edward VI Academy, commenced but only partially complete as at 31 August 2021.

In the prior year, capital commitments at the balance sheet date mainly related to works committed to undertake roof improvements at two of the trust's academies, as well as various other condition improvement works across a range of academies.

22 Commitments under operating leases

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Land and buildings		
Amounts due within one year	1,189	1,189
Amounts due between one and five years	4,760	4,760
Amounts due after five years	101,634	102,823
	107,583	108,772
Other		
Amounts due within one year	224	197
Amounts due between one and five years	54	193
	278	390

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 £107,583k (2020: £108,772k).

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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

	2020/21	2019/20
	£000	£000
Net income / (expenditure) for the year	3,049	(4,284)
Adjusted for:		
Depreciation	3,970	3,882
Loss on disposal of fixed assets	-	172
Capital grants from DfE and other capital income	(8,501)	(3,245)
Interest receivable	(8)	(21)
Interest payable on loans	23	30
Defined benefit pension scheme service cost less contributions payable	4,432	4,499
(Increase)/decrease in debtors	1,177	(915)
Increase/(decrease) in creditors	756	1,999
Net cash provided by operating activities	4,898	2,117

24 Cash flows from investing activities

	2020/21	2019/20
	£000	£000
Dividends and interest income	8	21
Purchase of tangible fixed assets	(2,089)	(2,357)
Proceeds from sale of tangible fixed assets	-	750
Purchase of investment shareholdings	(17)	-
Disposal of investment shareholdings	456	-
Capital grants from DfE Group	3,132	3,015
Capital funding received from sponsors and others	227	230
Net cash provided by / (used in) investing activities	1,717	1,659

25 Cash flows from financing activities

	2020/21	2019/20
	£000	£000
Cash inflows from new borrowing	-	-
Repayments of borrowing	(216)	(230)
Net cash provided by / (used in) financing activities	(216)	(230)

26 Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	12,478	11,079
Notice deposits (less than 3 months)	5,010	10
Total cash and cash equivalents	17,488	11,089

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

27 Analysis of changes in net funds

	At 1 September 2020	Cash flows	Other non-cash changes	At 31 August 2021
	£000	£000	£000	£000
Cash	11,079	1,399	-	12,478
Cash equivalents	10	5,000	-	5,010
Total cash and cash equivalents	11,089	6,399	-	17,488
Loans falling due within one year	(185)	216	(228)	(197)
Loans falling due after more than one year	(1,162)	-	205	(957)
Total net funds / (debt)	9,742	6,615	(23)	16,334

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 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 of which Mr Peter Cantley is Director of Education - Peterborough Diocesan Board of Education, and of which Bishop John Holbrook (Trustee who resigned during the year) was Chair – Peterborough Diocesan Board of Education, Director – Peterborough Diocesan Board of Finance, Member & Director – Peterborough Diocesan Church Schools Trust, Member – Peterborough Diocesan Education Trust (Multi Academy Trust).

The Trust purchased training and religious education curriculum resources totalling £7,608 (2020: £6,600) during the period, as part of an ongoing relationship. There were no amounts outstanding at 31 August 2021 (2020: £nil).

University of Northampton of which Bishop John Holbrook (Trustee) was a member of the Court & Nominations Committee.

The Trust purchased training totalling £493 (2020: £8,280) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

The Trust incurred expenditure of £2,796 (2020: £2,330) in respect of its annual membership fee to The Confederation of School Trusts and £84 (2020: £1,925) to the company's wholly owned subsidiary, CST Professional Development Limited, in respect of delegate places at the Confederation of School Trusts' annual conference. 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.

All of the above expenditure transactions were undertaken at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The transactions were all trivial in value and represent the continuation of ongoing supplier relationships therefore no advance declarations to the ESFA were considered necessary.

Income Related Party Transactions

Mr Ross is owner of Nevill Holt Hall which includes Nevill Holt Farm and Nevill Holt Opera. During 2020, over 250 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 £2,500; no visits took place during 2021. During 2020, pupils and teachers also visited Nevill Holt Opera for various events for which there was no charge and which was valued £8,000; no visits took place in 2021.

Mr Ross is the ultimate beneficial owner of Ballyclare Group Limited (formerly Best Dressed Group Limited) and group companies including Simon Jersey. Simon Jersey provided t-shirts to the Trust for the Summer Cup in the year ended 31 August 2020 at no charge, which was valued at £5,000.

In the year ended 31 August 2020, 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 Winter Cup and Performance Conference events, free of charge. This was valued at £6,000. The facilities have not been used in 2021.

Investments Related Party Transaction

The Trust's shareholding investments which were disposed of during the year were donated to the Trust in prior years by The Ross Foundation.

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 £45,000 and disbursed £39,000 from the current year fund. An amount of £nil (2020: £5,000) 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 £232,000 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 2021.

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

32 Academy boarding trading account

	2020/21 £000	2019/20 £000
Income		
Fee income	86	120
Coronavirus Job Retention Scheme grant	-	14
Expenditure - Direct costs		
Other direct costs	<u>9</u>	<u>24</u>
Expenditure - Indirect costs		
Staff costs	177	184
Utilities	7	23
Rent and rates	9	5
Security	-	4
Buildings maintenance	11	35
Depreciation	25	31
Other indirect costs	<u>4</u>	<u>28</u>
Total indirect costs	<u>233</u>	<u>310</u>
Total operating costs	<u>242</u>	<u>334</u>
Surplus / (deficit) on boarding	<u>(156)</u>	<u>(200)</u>
(Deficit) brought forward at 1 September	<u>(328)</u>	<u>(128)</u>
(Deficit) carried forward at 31 August	<u>(484)</u>	<u>(328)</u>

33 Teaching school hub trading account

	2020/21 £000
Income	
Direct grant income	70
Expenditure - Direct costs	
Direct staff costs	<u>44</u>
Expenditure - Indirect costs	
Support staff costs	22
Other support costs	<u>4</u>
Total indirect costs	<u>26</u>
Total operating expenditure	<u>70</u>
Surplus / (deficit)	<u>0</u>
Teaching school hub balances at 1 September 2020	<u>-</u>
Teaching school hub balances at 31 August 2021	<u>0</u>

34 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 £1,361,000 were payable to the schemes at 31 August 2021 (2020: £1,240,000) 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 2023.

The employer's pension costs paid to TPS in the period amounted to £7,190,000 (2020: £6,785,000). 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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

34 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 2020 was £3,774,000 (2020: £3,582,000), of which employer's contributions totalled £2,898,000 (2020: £2,739,000) and employees' contributions totalled £876,000 (2020: £843,000). 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: Alncliffe 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	3.80	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

	East Riding %	Northants %	Lincs %	N Yorks %	Leics %	Newham %
Principal Actuarial Assumptions - Prior Year						
Rate of increase in salaries	3.10	2.70	2.50	3.45	2.70	3.20
Rate of increase for pensions in payment / inflation	2.20	2.20	2.20	2.20	2.20	2.20
Discount rate for scheme liabilities	1.70	1.70	1.70	1.70	1.70	1.65
Inflation assumption (CPI)	2.20	2.20	2.20	2.20	2.20	2.20
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

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	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

Assumed life expectation on retirement age 65 - Prior Year

	East Riding	Northants	Lincs	N Yorks	Leics	Newham
Males retiring today	20.9	21.5	21.4	21.8	21.5	21.3
Females retiring today	23.3	23.7	23.7	23.9	23.8	23.9
Males retiring in 20 years	21.8	22.3	22.4	23.5	22.2	22.8
Females retiring in 20 years	24.8	25.1	25.2	25.7	25.2	25.5

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

34 Pension and similar obligations (continued)

Sensitivity analysis - approximate increase in defined obligation

	East Riding	Northants	Lincs	N Yorks	Leics	Newham
	£000	£000	£000	£000	£000	£000
0.1% decrease in Real Discount rate	1,229	816	462	43	183	24
0.1% increase in Salary Increase rate	80	26	146	3	16	-
0.1% increase in the Pension Increase Rate (CPI)	1,130	780	310	40	164	23
Mortality assumption – 1 year increase in life expectancy	1,868	1,287	912	53	314	25

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total
	£000	£000	£000	£000	£000	£000	£000
Employer Contributions estimated for the period to 31 August 2022	1,054	840	669	60	199	34	2,856

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000	£000	£000
Equities	16,512	12,248	7,825	321	2,276	100	39,282	30,567
Bonds	4,308	3,656	1,553	98	1,138	13	10,766	8,054
Property	2,632	2,193	1,128	33	275	16	6,277	5,164
Cash	479	183	415	9	235	9	1,330	1,814
Other	-	-	-	72	-	25	97	57
Total market value of assets	23,931	18,280	10,921	533	3,924	163	57,752	45,656
Present value of schemes' liabilities - funded	(46,709)	(32,166)	(20,197)	(1,424)	(7,854)	(591)	(108,941)	(83,103)
Deficit in the schemes	(22,778)	(13,886)	(9,276)	(891)	(3,930)	(428)	(51,189)	(37,447)

	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 2021	3,509	2,943	1,827	73	691	15	9,058
Actual return on the scheme assets, year ended 31 August 2020	(900)	(660)	(292)	(4)	(490)	(10)	(2,356)

Amounts recognised in Statement of Financial Activities

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2020/21	Total 2019/20
	£000	£000	£000	£000	£000	£000	£000	£000
Current service cost	2,844	2,007	1,207	136	330	145	6,669	6,596
Past service cost	-	-	-	-	-	-	-	15
Total operating charge	2,844	2,007	1,207	136	330	145	6,669	6,611
Interest income on pension scheme assets	(337)	(253)	(144)	(7)	(53)	(2)	(796)	(856)
Interest cost on pension liabilities	620	429	276	19	108	5	1,457	1,483
Net pension finance cost / (income)	283	176	132	12	55	3	661	627
Total cost recognised in the SOFA	3,127	2,183	1,339	148	385	148	7,330	7,238

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

34 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 2020/21	Total 2019/20
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 September	35,053	24,224	16,208	1,110	6,186	322	83,103	77,530
Current service cost	2,844	2,007	1,207	136	330	145	6,669	6,596
Past service cost	-	-	-	-	-	-	-	15
Interest cost	620	429	276	19	108	5	1,457	1,483
Employee contributions	401	253	153	16	39	14	876	843
Actuarial (gains)/losses	8,139	5,447	2,494	145	1,241	106	17,572	(2,581)
Benefits paid out	(348)	(194)	(141)	(2)	(50)	(1)	(736)	(783)
At 31 August	46,709	32,166	20,197	1,424	7,854	591	108,941	83,103

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2020/21	Total 2019/20
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 September	19,237	14,426	8,453	376	3,058	106	45,656	45,213
Interest income	337	253	144	7	53	2	796	856
Actuarial gain/(loss)	3,172	2,690	1,683	66	638	13	8,262	(3,212)
Employer contributions	1,132	852	629	70	186	29	2,898	2,739
Employee contributions	401	253	153	16	39	14	876	843
Benefits paid	(348)	(194)	(141)	(2)	(50)	(1)	(736)	(783)
	23,931	18,280	10,921	533	3,924	163	57,752	45,656