

The David Ross Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023



Company Registration Number:
06182612 (England and Wales)

The David Ross Education Trust

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The David Ross Education Trust

Reference and Administrative Details

Members

The Ross Foundation
D Ross
D Overton
The Peterborough Diocese Church Schools Trust
C Houlding

Trustees (Directors)

D Ross (chair)
P Cantley
C Counsell
R Emerton
D Hall
J Hoareau
N Langstaff
T Maloney
M Oliver (to 24 December 2022)
W Bickford-Smith (appointed 1 September 2023)

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

Company Secretary

M Maltby

Senior Management Team during the year

Chief Executive Officer	S Burns
Deputy Chief Executive Officer and Director of Secondary Education	M Neild
Director of Primary Education	S Rose
Director of Operations	J French
Director of Human Resources	R Ridgill
Director of Governance (and Company Secretary)	M Maltby
Chief Finance Officer (to 30 April 2023)	J Spencer
Interim Chief Finance Officer (from 1 May 2023)	P Wilson

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
25 Gresham Street
London
EC2V 7HN

Solicitors

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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 2023. The annual report serves the purposes of both a trustees' report and a directors' report and strategic report under company law.

The academy trust operates 34 academies, being a mixture of primary and secondary academies, as well as one all-through school, one special school and several pre-school settings within some of the Trust's primaries. The Trust's academies are geographically focused across Yorkshire, Lincolnshire, Northamptonshire, Leicestershire and London. The academies will have a combined pupil capacity of 16,800 (excluding pre-school settings) once all cohorts at the Trust's free schools are full and had a roll of 14,538 in the school census on 1st October 2022 (2021: 13,964).

As the education sector worked to consolidate on their recovery from the pandemic and the impact that it has had on young people and society as a whole, the Trust has maintained a focus on:

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

Overall, the trustees are very pleased with the progress made during the year on all fronts. The Trust has continued to execute on its strategy to improve the quality of education across all its schools and provided continued support to pupils, their families and communities.

From a financial point of view, the Trust continued the progress made in the preceding two years in improving its financial position by achieving a £0.288m (2022: £2.753m) in-year Annual Revenue Surplus, bringing the Trust to an overall Revenue Reserves Surplus of £5.652m (2022: £5.364m) at the end of the year. Revenue Reserves are defined, as per the balance sheet, as the total of the restricted income fund, permanent endowment funds and unrestricted income funds; or alternatively described as the total of Restricted General Funds (excluding the pension fund) plus unrestricted income funds. Free reserves, being the movement on the Annual Revenue Surplus less payments to the permanent endowment fund increased by £0.183m (2022: £2.648m) in the year.

Objectives and Activities

Objects and Aims

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

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

During the year ended 31 August 2023 the principal activity of the charitable company was the operation of 34 academies across Yorkshire, Lincolnshire, Northamptonshire, Leicestershire and London. This is broken down as follows:

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

The Trust's largest secondary academy, Malcolm Arnold Academy in Northampton, has circa 1,400 pupils, whilst the smallest, Charles Read Academy in Lincolnshire, has 270. The average number of pupils on roll in the Trust's secondary academies during the year, based on the October 2022 census, was 751 (October 2021: 725).

In the primary phase, the Trust has inner-city academies such as Wold Academy in Hull with over 450 pupils on roll, as well as smaller rural schools such as Ingoldsby Academy in Lincolnshire, with fewer than 65 pupils. The average number of pupils on roll in the Trust's primary academies excluding pre-school provision, based on the October 2022 census, was 268 (October 2021: 261).

The Trust's all-through academy, Bobby Moore Academy, opened in London in September 2017. At the October 2022 census, the number of pupils on roll was 1,034 (October 2021: 893). Once all cohorts are operating, the total capacity of this academy will be 1,560 including a sixth form of 240 places.

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

Objectives, Strategies and Activities

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

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

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

The Trust mission, vision and values continue to be enacted within all schools and Ofsted inspections during 2022/23 highlighted this.

Briar Hill Primary School was praised in November 2022 with inspectors noting that *'Leaders have created a culture of excellence. Staff have high aspirations for all pupils' personal development. They help them to realise the school's 'broadening horizons' values. These are 'aspiration, ambition, courage' and 'respect'.* The same was noted for King Edward VI Academy in January 2023 with *'Pupils have opportunities to be successful at this school. Leaders encourage pupils to live out the school values of 'ambition, aspiration, courage, resilience, honesty and respect'.*

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

The Trust aims to create a rich and exciting learning environment that inspires pupils to become their confident, academic best. The evidence for this was reflected in Charnwood College's inspection in September 2022 where it was noted that *'Leaders are ambitious for all pupils, including those with special educational needs and/or disabilities (SEND).'* Ainthorpe Primary Schools report in November 2022 noted that *'Leaders have developed an ambitious and challenging curriculum for all pupils'* and *'Leaders and staff have an absolute focus on developing a love of reading, right from when children join the school.'*

The vision is for a world-class education that is broad and knowledge-rich and the Trust enrichment programmes stand at the forefront of this. An inspection at Barnes Wallis Academy in December 2022 noted that *'Leaders make sure that pupils can take part in a wide range of after-school activities, including sports, music productions and charitable work'*. It was also highlighted in Falconer's Hill Academy's inspection in November 2022 with *'Pupils are proud of the contribution they make to everyday school life. They learn to be caring and responsible citizens. They develop their leadership skills. Pupils receive opportunities to voice their thoughts and opinions'*.

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.

Strategic Report

Achievements and Performance

Key Performance Indicators

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

Primaryes

Over recent years, the Trust's primary schools continue to, on average, deliver significant and sustained academic outcomes in phonics and in Key Stage 2 combined Reading, Writing and Maths results. 2023 KS2 outcomes were strong, increasing our gap over national to 10% from a 7% lead in 2022.

Trustees are delighted to report that primary strategic priorities for 2022/23 were realised resulting in 69% of Year 6 pupils achieving the expected standard in all of Reading, Writing and Maths, exceeding national average by 10 percentage points at the expected level, with 10% also achieving the greater depth standard, versus a national average of 8%. This improvement reflects the hard work and dedication shown by staff throughout the pandemic to ensure learning continued as far as possible during periods of school closure, and effective recovery support was put in place when school-based learning was able to resume. The strategic priorities focusing on strong attendance and instructional teaching in every classroom will continue to be priorities into 2023/24.

2022/23 saw thirteen Primary Ofsted inspections, of which two schools achieved Outstanding overall and all schools either retained their Good judgement or improved incrementally. 96% of our Primary academies are now judged Good or better with 18% judged Outstanding.

The Primary leadership team has benefited from stability and consistency since before the pandemic which began in the academic year 2019/20 and this has led to the overall picture below showing significant improvements in all categories of inspections.

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Trustees' Report for the year ended 31 August 2023

	2019					2023				
	L&M	QofE	PD	Outcomes	EY	QofE	B&A	PD	L&M	EY
Abbey CE	2	2	2	2		2	2	2	2	
Arbours	2	2	2	2	2	1	1	1	1	2
Ainthorpe	2	2	3	3	3	2	1	1	1	2
Bobby Moore						2	2	2	2	2
Briar Hill	2	2	2	2	2	1	1	1	1	1
Brighthelm	2	2	2	2	2	2	2	2	2	2
Cedar Road	2	2	2	2	2	2	2	2	2	2
Charmwood Forest	2	2	2	2	2	2	2	2	2	2
Eastfield	3	3	2	3	2	2	2	2	2	2
Edward Heneage	2	2	2	2	2	2	2	2	2	2
Endike	2	2	2	2	2	2	2	2	2	2
Eresby	1	1	1	1	1	1	1	1	1	1
Fairfield	2	2	2	2		2	2	2	2	
Falconer's Hill	2	2	2	2		2	2	2	2	
Greenfields	2	2	2	2	2	1	1	1	1	1
Hogsthorpe	2	1	2	2		2	1	2	2	
Ingoldsby	2	2	2	2	2	2	2	2	2	2
Kings Heath	2	2	2	2	2	2	2	2	2	2
Malcolm Arnold Prep	2	2	2	2	2	2	2	2	2	2
Newnham	2	2	2	2	2	2	2	2	2	2
Quay	3	3	3	3	2	2	2	2	2	2
Rockingham	2	2	2	2	2	2	2	2	2	2
Thomas Hinderswell	3	3	3	3	2	3	3	2	2	2
Wellon CE	1	1	1	1	1	1	1	1	1	1
Wold	4	3	3	3	4	2	2	2	2	2

L&M – Leadership and management; QofE – Quality of education; PD – Personal development; EY – Early years provision; B&A – Behaviours and attitudes. Blue/1 Outstanding, Green/2 Good, Orange/3 Requires Improvement, Red/4 Inadequate, Grey – no provision to inspect.

Secondaries

As with previous years, the strategic priorities for academic year 2022/23 included curriculum development, ensuring exemplary behaviour and a focus on teaching and learning practises and training. In addition to these priorities, the secondary team focussed on attendance (with significant financial investment made to enhance and expand roles in attendance teams), SEND and safeguarding as a response to increase in need following the global pandemic. By the end of 2022/23, nine out of eleven schools were rated Good or better with 47 out of 49 individual judgements rated Good or better. This compares to five out of eleven schools and 22 out of 49 individual judgements rated Good or better in March 2019. In the same timeframe, excluding the natural growth at Bobby Moore Academy, 900 more pupils attend the eleven secondary schools. The KS4 and KS5 results for 2022/23 followed the national trend of generally reverting to the levels found in 2019 as the distribution of grades was brought back in line with those historic levels following the different assessment processes and adjustments in place from 2020 to 2022, during and as a result of the pandemic. This resulted in a national decrease in Attainment 8 (A8) to 46.2. The majority of our secondary schools improved their performance at Attainment 8 versus performance in 2019. Trust-wide average Attainment 8 score was 41.1 vs 40.9 in 2019. The percentage grade 5 or above in English and Maths was 33.2% vs 32.7% in 2019. Within that data, performance for low, middle and high prior attaining students was better in 2022/23 than 2019. Trustees are very pleased with the significant improvement in the Ofsted profile of our secondary schools and have confidence that the improvements in quality of education on offer across DRET and teaching strategies in place will see the schools meet their targets to close the overall attainment gap vs national, particularly in the key Attainment 8 measure.

The Secondary leadership team has benefited from stability and consistency since before the pandemic which began in the academic year 2019/20 and this has led to the overall picture below showing significant improvements in all categories of inspections.

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Trustees' Report for the year ended 31 August 2023

	2019					2023				
	L&M	QofE	PD	Outcomes	Post-16	QofE	B&A	PD	L&M	Post-16
Barnes Wallis	2	2	1	2		2	2	1	2	
Bobby Moore						2	2	2	2	
Charles Read	2	2	2	2		2	2	2	2	
Charnwood	3	3	3	3	3	2	2	2	2	2
Havelock	3	3	3	3	3	2	2	2	2	2
Humberston	1	1	1	1		1	1	1	1	
King Edward	2	2	2	2		2	2	2	2	
Lodge Park	4	4	4	4	3	3	2	2	2	2
Malcolm Arnold	2	2	2	2	2	2	2	2	2	2
Skegness Grammar	3	3	2	3	3	2	2	2	2	2
Thomas Middlecott	3	4	3	4		3	2	2	2	

L&M – Leadership and management; QofE – Quality of education; PD – Personal development; EY – Early years provision; B&A – Behaviours and attitudes. Blue/1 Outstanding, Green/2 Good, Orange/3 Requires Improvement, Red/4 Inadequate, Grey – no provision to inspect.

Ofsted Ratings

The outcomes from all Ofsted inspections in 2022/23 were positive, recognising the improvements which have been achieved, or confirming continued good and outstanding provision. A summary of Ofsted Ratings and movements during the year is shown below:

	Outstanding	Good	Requires Improvement	Inadequate	Total
At 31 August 2023					
Primaries	3	18	1	-	22
Secondaries	1	7	2	-	10
All-through	-	1	-	-	1
Special School	1	-	-	-	1
Total	5	26	3	-	34
At 31 August 2022					
Primaries	2	19	-	1	22
Secondaries	1	5	4	-	10
All-through	-	1	-	-	1
Special School	1	-	-	-	1
Total	4	25	4	1	34
Movement					
Primaries	+1	-1	+1	-1	-
Secondaries	-	+2	-2	-	-
All-through	-	-	-	-	-
Special School	-	-	-	-	-
Total	+1	+1	-1	-1	-

Diocese of Peterborough

The Trust enjoys a strong relationship with the diocese, with the four church schools within DRET based in Northamptonshire. They are Malcolm Arnold Academy, Malcolm Arnold Preparatory School, Abbey C of E Academy, Welton C of E Academy. The schools work together and with the diocese to ensure strong standards and good preparation for SIAMS inspections, the latest of which was at Abbey C of E Academy in April 2023 and received a Good judgement, citing: "The sense of togetherness is born out of the Christian vision that is at the heart of recent success. Abbey C of E Academy enables pupils and adults to experience life in all its fullness. Fresh changes introduced by dedicated leaders are having a significantly positive impact on pupil and adult flourishing." The four church schools come together annually for a service of thanksgiving with representatives

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

of the diocese at Peterborough Cathedral. The service features readings and prayers from pupils as well as singing from the various choirs of the schools.

Teaching School Hub

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

During the year ended 31 August 2023:

- 234 school leaders undertook NPQ qualifications through the hub;
- 209 Early Career Teachers were supported in their professional development;
- 129 schools accessed professional development from the hub.

Enrichment

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

The DRET Sport enrichment programme continued to provide a range of learning opportunities and challenges for our pupils through clubs, competition, leadership and sporting events. We continue to offer these opportunities to all pupils, starting with mass participation, before progressing to clubs, fixtures, event and talent potential.

- 2023 was the tenth annual DRET Summer Cup. To celebrate the event returned to being on one day, including all the Trust primary and secondary academies, 6 sports, 8 competitions and over 1500 competitors, the largest Summer Cup yet.
- In addition to the Summer Cup, secondary academies also competed in the Winter Cup, Spring Cup, Cross Country Cup, Girls Football Cup and Rowing Cup, and primary academies competed in the Primary Cup, Champions Day and the Cross Country Cup, alongside a range of local DRET competitions.
- The trust-wide rowing programme was completed in person for the first time in 3 years, incorporating Rowvember, the Rowing Cup, All Stars and selected pupils entering the National Indoor Championships. The All Stars squad won two silver medals at the National Championships and we rowed over 5million meters as part of Rowvember.
- Secondary academies ran a total of 4,884 in-person enrichment club sessions, alongside this, secondary academies contested 1,331 fixtures, an increase of 192 compared to the previous year. In total these opportunities meant we had 92,178 recorded visits to clubs and fixtures by pupils throughout the academic year in secondary academies.
- The Primary Horizon PE programme continued to evolve, with a total of six successful Ofsted PE Deep Dive inspections. We also sold the programme for the first time to non-DRET schools in Loughborough.
- We had a number of current and former pupils pick up national honours. Pupils from Bobby Moore and Malcolm Arnold were selected to represent Team England at the Commonwealth Youth Games, whilst a Skegness Grammar pupil was selected for England School Girls in Football. Further pupils from Skegness Grammar and Charles Read were selected for Team England in Table Tennis for the Commonwealth Games in Birmingham and a Barnes Wallis pupil selected for the UK Athletics Championships.
- The Trust's All Stars programmes ran in football, netball and rugby, with games against the likes of Leicester City, Uppingham School and King's Grammar School, before finishing the programme with a football tour in Norwich and netball tour to the Leeds Rhinos tournament in Skegness.
- We launched a new Student Charter, which challenged pupils to attend clubs, fixtures and act as leaders in primary festivals. Those who reached the gold level were then invited to a reward trip to the University of Nottingham where they tried new sports including Wheelchair Basketball, Fencing and American Football.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

- Secondary pupils attended Development Days in Netball, Basketball, Rugby, Hockey and Athletics, and primary academies in Netball, Football and Hockey. Here they learnt from the best, including England Netballer Beth Cobden, World Champion Hurdler Dai Green, former England Hockey player Matt Taylor, Northampton Saints RFC, Leicester Riders and our trust leads in netball, football and hockey.
- Our partnership with the British Paralympic Association continued to inspire pupils. Current and former Paralympic athletes led workshops at our Performance Conference and attended our annual Summer Cup.
- Our elite sport specialism in basketball at Charnwood College and Table Tennis at Charles Read Academy continued to run throughout the year with a number of pupils gaining international honours.

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

- The Primary Music Festival took place across six venues and involved all Year 5 students, who performed Mozart's *The Magic Flute* in partnership with Nevill Holt Opera, The Voices Foundation and the Royal Opera House.
- Over 600 secondary students took part in the Secondary Music Festival, held for the second successive year at Nottingham's Albert Hall and Roman Catholic Cathedral. As well as featuring performances by choral and instrumental ensembles from every academy, the festival included professional performances of student compositions by The Berkeley Ensemble, forming the culmination of the Spring Term Composition Challenge. Over one hundred GCSE and A-Level students composed for the ensemble; each student's composition was workshopped and performed by the ensemble in London and Grimsby before the most successful pieces were performed to a live audience in Nottingham. A new feature of this year's festival was the formation of a massed choir and orchestra (involving all 600 students) rehearsing and performing a specially-commissioned arrangement of the *Hallelujah Chorus* from Jazz musician Pete Letanka.
- The Voices Foundation supported the formation of primary choral networks, with choral practitioners coaching school choir leaders.
- The DRET Choral Festival took place in July in the Northampton-Derngate and Hull Minster, in which all 22 primary school choirs joined the MAA Chapel Choir to give the UK premiere of James Burton's *The Lost Words*, conducted by the composer. Student artwork and oracy accompanied the performances.
- The Royal Opera House facilitated 1,000 students (primary and secondary) to see Schools' Matinee performances of *Tosca* and *The Magic Flute*.
- Gabrieli Roar continues to be an important partnership for the Trust: 22 primary and secondary school choirs participated in the *In dulci jubilo* Christmas project, performing in York Minster, Hull Minster, Coventry Cathedral, Peterborough Cathedral and Ely Cathedral. A large group of secondary students took part in the summer's residential course at New Hall School, culminating in a performance of Elgar's *The Dream of Gerontius* in Ely Cathedral.
- The Trust's Musicians-in-Residence programme in secondary schools expanded to six secondary academies, with six professional musicians making a significant impact in Grimsby, Skegness, Corby, Northampton and Stratford, culminating in the DRET Musician of the Year competition held at the University of Nottingham.
- The Youth Music funded Brass Bands project completed its final year at Skegness Grammar School, Barnes Wallis Academy, Thomas Middlecote Academy and King Edward VI Academy. Brass Bands continue in all four schools next year.
- The Trust published The DRET Music Way, a guide for Principals, SLT and music teachers to develop music provision in schools, allied to the goals of the National Plan for Music Education.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

Key Financial Performance Indicators

The Trust's net movement in funds for the year comprises £0.183m in-year Revenue Surplus on Restricted General Funds (excluding the pension fund) and unrestricted income funds (2022: £2.648m in-year surplus), £0.938m net decrease (2022: £0.050m increase) in fixed asset funds, £0.105m (2022: £0.105m) increase in permanent endowment funds and £5.100m (2022: £45.893m) reduction in restricted pension funds deficit.

The Annual Revenue Surplus, defined as the net of income and expenditure on Restricted General Funds and Unrestricted Funds and adjusted for the actuarial movements on the Local Government Pension Schemes and any gains/(losses) on investment assets, is our key performance indicator as the movements on the other funds are less under the control of management and Trustees. In the year the Annual Revenue Surplus was £0.288m (2022: £2.753m). Free reserves, being the movement on the Annual Revenue Surplus less payments to the permanent endowment fund was by £0.183m (2022: £2.648m) in the year.

	2023 £000	2023 £000	2022 £000	2022 £000
Revenue income	101,033		91,921	
Revenue expenditure	(101,813)		(95,768)	
LGPS actual movements				
- Add back current service cost and net pension finance cost	5,609		9,691	
- Deduct employers contributions	(4,450)		(2,931)	
Loss on investment assets	-		(3)	
Transfer to Restricted Fixed Asset Funds	(91)		(157)	
Annual Revenue Surplus (our "KPI")	288		2,753	
Transfer to Permanent Endowment Funds	(105)		(105)	
Net movement on free reserves		183		2,648
Movement on Restricted Pension Fund		5,100		45,893
Movement on Restricted Fixed Asset Funds		(938)		50
Movement on Permanent Endowment Funds		105		105
Net movement in total funds		4,450		48,696

Note 17 to the financial statements provides further details on the funds carried forward and movements during the year.

The movement in Restricted Fixed Asset Funds during the year reflects the balance of capital income, offset by depreciation charges. The movement in the Restricted Pension Fund mainly reflects actuarial movements in the valuation of liabilities to pay future pensions.

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.

Alongside this, unrestricted reserves which comprise the designated strategic fund and funds generated from other resources used towards meeting the charitable objects of the Trust have increased by £0.41m (2021/22: £0.02m).

Total cash held by the Trust at 31 August 2023 is £20.4m (2021/22: £23.8m); with £10.0m (2021/22: £nil) of this held on short-term deposit of less than 12 months with our current bankers; and £3.8m (2021/22: £4.2m) associated with capital funding received in advance of the cash being spent.

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Trustees' Report for the year ended 31 August 2023

Going Concern

The ESFA's Academy Trust Handbook requires the board of trustees to satisfy itself that the trust remains a going concern and is financially sustainable. The trustees have interpreted this as relating to the longer term 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 2024 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 2026 and the income and expenditure result for the first two months of the year ending 31 August 2024.

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 evolving economic environment on the Trust's future financial performance which presents risk from the continued high inflation and volatility in energy costs, and high labour inflation coupled with a tight labour market which could present a staff recruitment and retention risk to the Trust;
- continuing increased need amongst the Trust's pupils for both academic and pastoral recovery support;
- 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.
- consideration of the impact of any increase in teacher and support staff, that exceed budget assumptions or are not fully funded.
- the continued impact that the higher cost of living has on the any lettings and fundraising across the Trust.

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 the teacher pay increases with the introduction of the Teachers Pay Additional Grant in the year ending 31 August 2024. 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 David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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

The impact of the Trust on its communities is, in the first instance, evident through the provision of education services to pupils within the communities in which the Trust's academies are located. The Trust ensures all school-age children in its communities have fair access to the Trust's academies by adhering to the Trust's published admissions policies. More broadly, as far as possible, the Trust makes its buildings and sports facilities available for hire by members of its local communities, outside of school hours. Trustees regularly visit schools to engage with staff and pupils and experience the school environments first-hand.

Financial review

Most of the Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants to fund school operations, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds (non-fixed asset) in the Statement of Financial Activities.

The Trust also receives grants for capital expenditure from the ESFA, DfE, local authorities and, from time to time, from The Ross Foundation and other organisations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), 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 2023, the in-year income from restricted and unrestricted funds exceeded corresponding expenditure and transfers to other funds by £0.183m (2022: £2.648m). This resulted in closing Restricted Income and Unrestricted Income Funds (referred to as "free reserves") as at 31 August 2023 being a surplus of £5.442m (2022: £5.259m).

The surplus movement of £0.183m (2022: £2.648m), on free reserves, was achieved after transferring £0.105m (2022: £0.105m) to the permanent endowment funds in order to give effect to Charity Commission Orders which require full replenishment of the permanent endowment funds by 31 August 2033.

In addition to this, the Trustees agreed to redesignating £1.0m (2022: £0.1m) from unrestricted general funds to the unrestricted designated strategic fund. The amount transferred to the designated strategic fund is decided by the Trustees post completion of the year end results, taking into consideration the amount of free reserves required to continue operating in a financially sustainable manner, and any future plans for the use of the fund.

The restricted fixed asset fund shows in-year income of £3.804m (2022: £4.521m), of which, £0.7m relates to the capital efficiency grant and £0.4m connect the classroom grant.

The Trust's non-teaching staff are entitled to membership of the relevant Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Schemes, and consequently the Trust's balance sheet shows a net pension liability of £0.196m (2022: £5.296m). The £0.196m is net of a restriction of £6.1m (2022: £nil) of net surpluses across four Local Government Pension Schemes; as the recoverability of the pension asset from either a reduction in employer contributions or a refund of surplus is not probable. The significant reduction in the net pension liability compared to the prior year-end is largely attributable to a fall in the present value of the scheme liabilities due to a material increase in the discount rate assumptions applied, connected to the recent changes in the economic outlook. The restriction of the surplus across the four schemes referred to above is included within the pension reserves in the accounts.

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.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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

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

At 31 August 2023, the Trust held a significant amount of cash at bank, £20.4m (2022: £23.8m); including £10m (2022: £nil) held in short fixed term deposit accounts. 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. The reduction since 31 August 2022, is a reflection of the prior year delays to the Trust's capital works programme due to reduced availability of contractors and building materials due to the lasting impact of COVID-19. Progress has been made during the year at catching up on the planned capital programme and thus we have seen a reduction in cash held at 31 August 2023.

Reserves Policy

The Trust held fund balances as at 31 August 2023 of £172.554m (2022: £168.104m) comprising £170.748m (2022: £166.711m) of restricted funds and £1.806m (2022: £1.393m) of unrestricted income funds. The Trust's restricted funds include a pension reserve deficit of £0.196m (2022: £5.296m), restricted fixed asset funds of £167.098m (2022: £168.036m) which could only be realised by disposing of tangible fixed assets, permanent endowment funds of £0.210m (2022: £0.105m) and restricted income funds of £3.636m (2021: £3.866m).

The Trust's Free Reserves, defined as Unrestricted income funds and Restricted income funds, together form the Trust's free reserves of £5.442m (2022: £5.259m). Whilst demands on the Trust's Free Reserves will vary over the years, the Trust's policy is that the Trust aims to build up to maintaining a level of Free 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 Free 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 fifth consecutive year, the Free Reserves position, has maintained within the Trusts targeted range of 5-10% of annual recurrent revenue income; with this being 5.4% (2022: 5.7%) of revenue income for the year ended 31 August 2023.

The balance on the Trust's Permanent Endowment Funds, which do not form part of the Trust's Free Reserves, is currently £0.210m (2022: £0.105m). The Permanent Endowment Funds have been used to fund major construction projects in the Trust's academies. In accordance with the provisions of the Charities Act 2011, the £2.1m Permanent Endowment Funds will need to be replaced over time from academy funds. In accordance with Charity Commission Orders relating to these funds, recoupment commenced in the year ended 31 August 2022 and will be completed in the year ending 31 August 2033.

In addition to the Trust's Permanent Endowment Funds, the Trust previously received donations from The Ross Foundation totaling £5.5m of expendable endowment funds which were also used to fund construction projects in the Trust's academies. The trustees have confirmed their intention to replenish this fund over time through creation of a Designated Strategic Investment Fund within unrestricted funds which will be used at the discretion of the Trust Board to fund future development projects including capital projects. In the year ended 31 August 2023, trustees agreed to transfer £1.0m (2022: £0.1m) into this fund.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

Investment Policy

The trustees agree all investments made by the Trust. Investments are currently restricted to deposit accounts in UK banks. Investments are made with regard to Charity Commission guidance (CC14) in relation to investments.

Principal Risks and Uncertainties

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

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

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

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

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

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

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

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

The Trustees are responsible for ensuring the Trust's estate is safe, well maintained and complies with relevant legislation. As such, the estates risks are managed via the Estates and Facilities and Operations Team and are the responsibility of the Trust Director of Operations. Estates risks are documented on the Estates Risk Register and are reviewed by the team monthly. Risks are presented to and challenged termly by the Trust Risk Management Group and the Trust Risk and Audit Committee and are presented both to the Finance Committee and Trust Board annually.

The top three Estates risk are:

- Risk of Serious Personal Accident on the school.
- Critical Incident Response not adequately planned or delivered.
- Road Traffic Accident involving multiple personnel.

As part of Estates Risk Management, each individual risk is mitigated with a set of controls, which in turn lower the risk and/or lower the impact.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

Fundraising

The Trust only partakes in low-level fundraising, not to fund the Trust's core provision of education, but to support related activities, in particular the provision of extra-curricular enrichment opportunities to pupils. The Trust's fundraising activities undertaken during the year included small scale, locally-run fundraising and sponsored challenge events organised at an academy level, and some trust-wide organised sponsorship events, for which participants sought sponsorship from their personal network of contacts. All fundraising activities are carried out using guidelines laid out in the Code of Fundraising Practice and conform to the requirements of the recognised standards.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	18,956,918	20,244,535
Energy consumption break down (kWh)		
- Gas	11,936,780	12,986,181
- Electricity	6,356,025	6,804,214
- Transport fuel	664,113	454,140
Scope 1 emissions in metric tonnes CO ₂ e		
- Gas consumption	2,308.33	2,370.50
- Owned transport (minibuses)	44.05	30.86
- Total scope 1	2,352.38	2,401.36
Scope 2 emissions in metric tonnes CO ₂ e		
- Purchased electricity	1,160.23	1,315.80
Scope 3 emissions in metric tonnes CO ₂ e		
- Business travel in employee-owned vehicles	132.75	74.75
Total gross emissions in metric tonnes CO ₂ e	3,645.36	3,791.91
Intensity ratio: kgCO ₂ e per pupil	250.75	263.69
Intensity ratio: tCO ₂ e per pupil	0.25	0.26

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 2023, 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 for the year ended 31 August 2023

Measures taken to improve energy efficiency

- Energy Audits conducted across all non PFI Academies, identifying key areas where the Trust can reduce energy.
- Introduction of a Trust Heating Policy, reducing the hours of operation and base temperatures.
- Introduction of sustainability groups, looking at how to change culture and behaviour of employees to reduce energy usage.
- Heating system upgrades to improve energy efficiency;
- Lighting refurbishments replacing existing fluorescent installations in several academies have been undertaken through the year.
- Window upgrades, replacing single-glazed with double-glazed, to improve energy efficiency of some academy buildings.

The energy consumption data for the year ended 31 August 2023 reflects the second year of publishing SECR data under normal operating conditions, with no periods of full or partial school closure due to COVID-19, nor any requirement to open windows to provide extra ventilation in classrooms, as was the case in the year ended 31 August 2021. The decrease in gas consumption and the associated emissions over the 2022/23 reporting year in comparison to 2021/22 are directly attributable to both behaviour change in staff and significant investment in energy efficiency improvement works carried out at several of the Trust's academies.

Plans for Future Periods

The Trust works closely with the Regional Directors office to support the Governments ambition that all schools should have the opportunity of joining a strong Trust. Given its strength, the Trust has been approached about taking on more schools and following the submissions made during 2022/23 the Secretary of State confirmed that DRET has been selected as preferred sponsor for The Richmond School, Skegness, with a view to the school joining the Trust during the academic year 2023/24. The Trust continues to analyse and be open to opportunities to grow its number of schools whilst maintaining geographical integrity and a commitment to adding value. Leadership capacity is strong in the fields of Education, Finance, HR, Operations, Estates Management and Governance.

Our plans for the future are always supported by our values:

- **Aspiration** – We are unashamedly ambitious for the quality of care and all-round education of the children and young people we serve. We want to provide access to outstanding opportunities within the classroom and beyond.
- **Ambition** – We are highly aspirational and expect all of our students and staff to aim high for themselves and to support each other in those aspirations. We will provide staff with the skills and knowledge to teach well and create a culture where high performance is expected.
- **Courage** – We are courageous in our approach, supporting and standing up for each other, thinking big and not being afraid to try new ideas and strategies in the pursuit of excellence.
- **Respect** – We are respectful of each other regardless of age, identity and background, creating an environment of calm, scholarly endeavor in our classrooms and respecting the professional integrity of all staff across academic and business functions.

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

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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

Funds held as Custodian Trustee on behalf of others

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

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
Bringham 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 Havelock Academy Endowment Fund and The David Ross Education Trust Endowment Fund, together the permanent endowment funds, were established in accordance with a deed of gift and declaration of trust, agreed between the Trust, The Ross Foundation (previously known as The David Ross Foundation) and the Department for Education.

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

Members' Liability

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

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

Organisational Structure

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

The Trust is governed by the Trust Board which delegates functions as appropriate to the Academy Scrutiny Committee of each academy. The trustees are responsible for all areas covered under the funding agreements and all areas of statutory responsibility appertaining to the Trust which includes setting general policy, developing a three-year strategic plan and adopting an annual plan, agreeing the Trust's budget (including those amounts delegated to academy principals), budget monitoring, performance monitoring and senior staff appointments. The Trust Board also approves the appointment of all chairs of Academy Scrutiny Committees.

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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 Director of Secondary Education, the Director of Primary Education, Chief Finance Officer, Director Operations, Director of Human Resources and the Director of Governance. Central services include educational support services, school improvement, human resources support, financial and legal services, asset management, information technology and management information, public relations, marketing and communications, internal and external audit, enrichment (including sports and music enrichment) and governance. 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)	1	1
J Hoareau	1	1
D Ross	1	1

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

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

Principals are appointed by the Directors 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 Director of Human Resources.

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the academy trust must publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities). The 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:	19

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1% - 50%	19
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time:	£31,000
Total pay bill:	£76.8m
% of total pay bill spent on facility time:	0.04%

Paid trade union activities

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

The Trust maintains The David Ross Education Trust Endowment Fund and The Havelock Academy Endowment Fund. The Funds were created to hold the endowments paid by the Trust's sponsor, The Ross Foundation, in respect of Havelock Academy and Malcolm Arnold Academy. The board of trustees is responsible for determining the specific uses of the Endowment Funds, which have previously been fully invested in enhancing the provision of education at the Trust's academies. In line with Charity Commission Orders which require replenishment of the funds, £105k (2022: £105k) has been transferred into the funds in the year ended 31 August 2023.

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

The Trust owns 100% of the share capital of David Ross Education Services Ltd. This company was dormant during the year ended 31 August 2023.

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

The David Ross Education Trust

Trustees' Report for the year ended 31 August 2023

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.

Equal Opportunities Policy

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

Disabled Persons

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

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

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

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

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

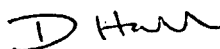
Principals are responsible for identifying and engaging with their pupil and parent populations, as well as appropriate stakeholders in their local communities, including representatives of local authorities, local businesses, and principals of neighbouring schools which are not members of the Trust.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

Auditor

Insofar as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2023 and signed on the board's behalf by:



D Hall
Trustee
14 December 2023

The David Ross Education Trust

Governance Statement

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
D Ross (Chair)	6	6
P Cantley	4	6
C Counsell	5	6
R Emerton	5	6
D Hall	6	6
J Hoareau	6	6
N Langstaff	6	6
T Maloney	5	6
M Oliver (to 24 December 2022)	2	3
Nick Gibb MP (to 27 October 2022)	1	1

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. The trustees commissioned an independent external review of governance arrangements by CST Professional Development Limited in 2022.

The report, presented to trustees in summer 2022, highlighted a number of the Trust's governance strengths such as its highly skilled trustees who work well together and provide robust challenge, high-quality governance documentation, risk management, educational provision, culture and ethos and financial management. Recommended areas for consideration were all accepted and addressed during 2022/23. These included:

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

The David Ross Education Trust

Governance Statement

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

Trust Board Committees

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

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
T Maloney (Chair)	4	4
C Counsell	4	4
S Deane (Non-trustee member)	4	4
M Oliver (to 24 December 2022)	2	2

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
J Hoareau	3	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 control at the Trust and to agree a programme of work that will address these risks, inform the governance statement and so far as is possible provide assurance to the external auditor.

Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
N Langstaff (Chair)	4	4
B Brown (Non-trustee member)	4	4
P Cantley	4	4
R Stannard (Non-trustee member)	2	4

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; as well as estates safety and management; achieved in return for the taxpayer resources received.

The David Ross Education Trust

Governance Statement

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

- Avoidance of use of agency staff as much as possible, redeploying staff where possible to cover vacancies and absences;
- Continuing to use the government-provided Teaching Vacancies service to advertise all teaching vacancies, thus reducing recruitment costs as much as possible and engaging with the government's working group to improve the effectiveness of this service;
- Continued investment in CPD for teachers to increase the quality of teaching delivered to pupils;
- Significant, in year Investment in a Compliance Management system, to provide Trust oversight of all building management compliance actions;
- Continued partnership with an external Facilities Management provider to ensure the regularity testing and proactive maintenance of all serviceable assets, extending the life cycle and providing building safety assurance;
- A capital programme prioritised at improving health and safety, balanced with improving standards in the Trust's academies and energy efficiency improvements;
- Regular meetings of all primary and all secondary principals to share strategies and good practice;
- Continued focus on ensuring procurement processes are effective, under the leadership of the Chief Finance Officer and the Trust's Procurement Manager and through use of public sector frameworks where suitable frameworks are available;
- Investment in new budgeting and forecasting system to improve longer term planning capabilities;
- 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The David Ross Education Trust

Governance Statement

The Risk and Control Framework

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

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

The board of trustees has decided to buy-in an internal audit service from Validera, 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
- performance management
- expenditure and creditors
- human resources
- complaints (including whistleblowing)
- Thematic reviews of governance; trips; enrichment; attendance and exclusions
- IT (disaster recovery).

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 2023. No material control or other issues were reported by the internal auditor during the year.

Review of Effectiveness

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

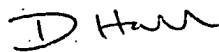
- the work of the internal auditor;
- the work of the external auditor;
- the work of the Trust's Risk and Audit Committee and the Finance and Resource Committee;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the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

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

The David Ross Education Trust

Governance Statement

Approved by order of the members of the board of trustees on 14 December 2023 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 Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and noncompliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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

14 December 2023

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:

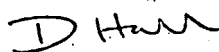
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 14 December 2023 and signed on its behalf by:



D Hall
Trustee

The David Ross Education Trust

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

Opinion

We have audited the financial statements of The David Ross Education Trust (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The David Ross Education Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

The David Ross Education Trust

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

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

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

These matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

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

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

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

Our procedures to respond to risks identified included the following:

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

The David Ross Education Trust

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

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

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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



Pamela Tuckett FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 18 December 2023

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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The David Ross Education Trust's funding agreement with the Secretary of State for Education dated 25 June 2020 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

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 line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 18 December 2023

The David Ross Education Trust

Statement of Financial Activities for the year ended 31 August 2023

(Including Income and Expenditure Account)

						2022/23	2021/22
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Permanent Endowment Funds	Total	Total
		£000	£000	£000	£000	£000	£000
Income and endowments from:							
Donations and capital grants	2	10	255	3,804	-	4,069	4,628
Charitable activities:							
Funding for the academy trust's educational operations	3	-	99,213	-	-	99,213	90,389
Other trading activities	4	1,312	5	-	-	1,317	1,414
Investments	5	238	-	-	-	238	11
Total		1,560	99,473	3,804	-	104,837	96,442
Expenditure on:							
Raising funds	6	1,147	4	-	-	1,151	848
Charitable activities:							
Academy trust educational operations	6	-	100,662	4,833	-	105,494	99,548
Total		1,147	100,666	4,833	-	106,645	100,396
Net income/(expenditure)		413	(1,193)	(1,029)	-	(1,808)	(3,954)
Transfers between funds	17	-	(196)	91	105	-	-
Other recognised gains/(losses):							
Losses on investment assets		-	-	-	-	-	(3)
Actuarial gains on defined benefit pension schemes	31	-	12,374	-	-	12,374	52,653
Pension surplus not recognised	31	-	(6,116)	-	-	(6,116)	-
Net movement in funds		413	4,870	(938)	105	4,450	48,696
Reconciliation of funds							
Total funds / (deficit) brought forward		1,393	(1,430)	168,036	105	168,104	119,408
Total funds carried forward		1,806	3,440	167,098	210	172,554	168,104
Restricted general funds are made up as follows:							
Restricted general fund			3,636				
Restricted pension fund			(196)				
Total			3,440				

The David Ross Education Trust

Statement of Financial Activities for the Year Ended 31 August 2022

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Permanent Endowment Funds £000	Total 2021/22 £000
Income and endowments from:						
Donations and capital grants	2	11	356	4,261	-	4,628
Charitable activities:						
Funding for the academy trust's educational operations	3	-	90,389	-	-	90,389
Provision of boarding activities			-	-	-	-
Other trading activities	4	1,145	9	260	-	1,414
Investment income	5	11	-	-	-	11
Total		1,167	90,754	4,521	-	96,442
Expenditure on:						
Raising funds		828	16	4	-	848
Charitable activities:						
Academy trust educational operations		-	94,898	4,596	-	99,494
Provision of boarding activities		26	-	28	-	54
Total	6	854	94,914	4,628	-	100,396
Net Income / (expenditure)		313	(4,160)	(107)	-	(3,954)
Transfers between funds	18	(294)	32	157	105	-
Other recognised gains / (losses):						
Losses on investment assets		-	(3)	-	-	(3)
Actuarial gains on defined benefit pension schemes	31	-	52,653	-	-	52,653
Net movement in funds		19	48,522	50	105	48,696
Reconciliation of funds						
Total funds / (deficit) brought forward		1,374	(49,952)	153,513	-	104,935
Prior year adjustment		-	-	14,473	-	14,473
Total funds / (deficit) carried forward		1,393	(1,430)	168,036	105	168,104
Restricted general funds were made up as follows:						
Restricted general fund			3,866			
Restricted pension fund			(5,296)			
Total			(1,430)			

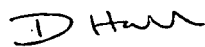
The David Ross Education Trust

(Company number: 06182612)

Balance Sheet as at 31 August 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	12		162,667		162,956
Investments	13				
			<u>162,667</u>		<u>162,956</u>
Current assets					
Debtors	14	4,591		3,400	
Short term investments	13	10,000			
Cash at bank and in hand		<u>10,426</u>		<u>23,833</u>	
		25,017		27,233	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(14,280)</u>		<u>(15,918)</u>	
Net current assets			<u>10,736</u>		<u>11,315</u>
Total assets less current liabilities			173,403		174,271
Creditors: Amounts falling due after more than one year	16		<u>(654)</u>		<u>(871)</u>
Net assets excluding pension liability			172,750		173,400
Defined benefit pension scheme liability	31		<u>(196)</u>		<u>(5,296)</u>
Total net assets			<u>172,554</u>		<u>168,104</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund		167,098		168,036	
Restricted income fund		3,636		3,866	
Pension reserve		<u>(196)</u>		<u>(5,296)</u>	
Permanent endowment funds		<u>210</u>		<u>105</u>	
Total restricted funds			170,748		166,711
Unrestricted income funds			<u>1,806</u>		<u>1,393</u>
Total funds	19		<u>172,554</u>		<u>168,104</u>

The financial statements on pages 36 to 64 were approved by the trustees and authorised for issue on 14 December 2023 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 2023

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(2,678)	5,794
Cash flows from investing activities	23	(10,502)	681
Cash flows from financing activities	24	(228)	(130)
Change in cash and cash equivalents in the reporting period		(13,408)	6,345
Cash and cash equivalents at 1 September 2022		23,833	17,488
Cash and cash equivalents at 31 August 2023	25	10,426	23,833

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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 2022 to 2023 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 2024 and forecasts for beyond this to 31 August 2026, challenges ongoing from the COVID-19 pandemic and latterly arising from the recently volatile and uncertain economic environment, along with projected pupil numbers for the year ending 31 August 2025, 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 reliably measured.

Donations

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

Other Income

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

Interest receivable is accrued on a daily basis.

Donated goods, facilities and services

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

Donated fixed assets

Where the donated 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 2023

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. Freehold land is not depreciated.

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

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investments in subsidiaries are valued at cost less provision for impairment.

Short term Investments

Short term investments includes cash on deposit with a notice period of more than 3 months, but less than 12 months.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies (continued)

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 14. Prepayments are not financial instruments. There are no amounts due to the charity's wholly owned subsidiary at the balance sheet date.

Cash at bank – is classified as a basic financial instrument and is measured at fair value through income and expenditure.

Financial liabilities – trade creditors, accruals and other creditors, including loans are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension benefits

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

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

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

Actuarial gains and losses on LGPS are recognised immediately in other recognised gains and losses. No overall surplus is recognised where the recoverability of the pension asset from either a reduction in employer contributions or a refund of a surplus is not probable.

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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies (continued)

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

Endowment funds represent The David Ross Education Trust Endowment Fund and The Havelock Academy Endowment Fund and relate to donations received from The Ross Foundation.

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 30.

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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000
Capital grants - DfE Group			3,636	3,636	2,482
Other capital grants			114	114	1,417
Gifts in kind		25		25	27
Other donations	10	230	54	294	702
	10	255	3,804	4,069	4,628

Included within other donations and capital grants is Enil (2022: £362,000) of donated fixed assets.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000
DfE / ESFA grants					
General Annual Grant (GAG)	-	80,237	-	80,237	76,498
Start Up Grants	-	132	-	132	145
Teachers' Pay Grant	-	11	-	11	52
Teachers' Pension Employer Contribution Grant	-	153	-	153	148
Schools Supplementary Grant	-	2,311	-	2,311	942
<i>Sub-total: GAG, TPG, TPECG and SSG</i>	-	82,844	-	82,844	77,785
Pupil Premium	-	5,167	-	5,167	5,002
UIFSM	-	707	-	707	666
Mainstream schools additional grant	-	1,174	-	1,174	-
Other DfE / ESFA grants	-	1,404	-	1,404	807
	-	91,296	-	91,296	84,260
Other Government grants					
Local authority grants	-	5,113	-	5,113	3,841
Special educational projects	-	130	-	130	206
	-	5,243	-	5,243	4,047
Other income from the academy trust's educational operations	-	1,264	-	1,264	817
COVID-19 additional funding (DfE / ESFA)					
Recovery premium	-	979	-	979	709
Other DfE / ESFA COVID-19 funding	-	431	-	431	556
COVID-19 additional funding (non-DfE / ESFA)					
Other COVID-19 funding	-	1	-	1	-
Total	-	99,213	-	99,213	90,389

The academy trust received £979,000 of funding for COVID recovery premium (2022: £709,000) and costs incurred in respect of this funding totalled £979,000 (2022: £709,000) with Enil (2022: Enil) carried forward to be spent in 2023/24. Other DfE / ESFA COVID-19 funding received during the year mainly related to School-led Tutoring grant funding.

Other non DfE / ESFA COVID-19 funding includes £1,000 (2022: Enil) relating to very low value COVID related income from local authorities. Costs incurred in respect of this funding totalled £1,000 (2022: Enil) with Enil (2022: Enil) carried forward to be spent in 2023/24

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

4 Other trading activities

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000
Income from hire of Trust facilities	310	-	-	310	285
Income from ancillary trading activities	424	-	-	424	644
Income from other charitable activities	578	5	-	583	485
	<u>1,312</u>	<u>5</u>	<u>-</u>	<u>1,317</u>	<u>1,414</u>

5 Investment Income

	Unrestricted Funds	Total 2022/23	Total 2021/22
	£000	£000	£000
Bank interest	238	238	11

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

6 Expenditure

	Staff costs	Premises	Other costs	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000
Expenditure on raising funds and costs of trading activities:	694	4	453	1,151	848
Academy Trust's educational operations:					
Direct costs	67,733	-	7,980	75,713	71,845
Allocated support costs	10,804	9,135	9,842	29,781	27,703
	78,537	9,135	17,822	105,494	99,548
	79,230	9,139	18,276	106,645	100,396

Net expenditure for the year includes:

	Total 2022/23	Total 2021/22
	£000	£000
Operating lease rentals	1,505	1,555
Depreciation	4,833	4,497
(Gain)/loss on disposal of fixed assets	-	(129)
Fees payable to auditor for:		
- audit	57	56
- other services	15	14

Included within expenditure are the following transactions:

	Total 2022/23	Individual amounts >£5k
	£000	£000
Unrecoverable debts	100	16

The Trust has written off £100,000 (2022: £46,000) of trade debtors due to the age and small values individually of these balances resulting in them being unrecoverable. No ESFA approval was required for the write offs given that the value both individually and in aggregate was below thresholds set.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Charitable activities

	Total 2022/23 £000	Total 2021/22 £000
Analysis of support costs		
Support staff costs	10,804	11,555
Depreciation	4,833	4,497
Technology costs	1,017	1,104
Premises costs	9,135	6,404
Legal costs	198	37
Other support costs	3,662	3,978
Governance costs	132	128
Total support costs	29,781	27,703

8 Staff

a. Staff costs

	2022/23 £000	2021/22 £000
Staff costs during the year were:		
Wages and salaries	56,911	51,886
Social security costs	5,548	5,009
Pension costs - employer contributions	11,635	10,505
Pension costs - service costs excluding contributions	946	5,882
	75,040	73,282
Agency staff costs	3,729	2,701
Staff restructuring costs	70	109
	78,839	76,092
Staff restructuring costs comprise:		
Severance payments	70	109
	70	109

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

Staff costs charged during the year includes an accrual of £0.1m (2022: £0.7m) in respect of expected inflationary pay awards for support staff on NJC pay scales and the associated employer's NI and pension costs, back-dated to 1 April 2023.

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

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £nil (2022: £51k).

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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:

	2022/23	2021/22
	No.	No.
Teachers	846	837
Administration and support	1,158	1,021
Management	46	42
	2,050	1,900

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

8 Staff (continued)

d. Higher paid staff

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

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	44	36
£70,001 - £80,000	27	14
£80,001 - £90,000	7	8
£90,001 - £100,000	5	5
£100,001 - £110,000	9	3
£110,001 - £120,000	2	2
£120,001 - £130,000	1	-
£130,001 - £140,000	1	1
£140,001 - £150,000	1	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
£190,001 - £200,000	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 £1,055,337 in relation to 7 employees (2022: £935,014; 6 employees).

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

9 Central services

During the years ended 31 August 2023 and 31 August 2022, the trust provided the following central services to its academies:

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

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

10 Trustees' remuneration and expenses

Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as trustees, for either the year ended 31 August 2023 or the year ended 31 August 2022. During the year ended 31 August 2023, £1,360 travel and subsistence expenses were reimbursed or paid directly to trustees (2022: £1,183).

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 2023

12 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 2022	42,956	2,857	133,349	4,330	3,386	3,101	9,517	85	2,145	201,726
Additions	-	1,519	-	642	145	211	996	-	1,031	4,544
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	1,345	-	472	69	259	-	-	(2,145)	-
At 31 August 2023	42,956	5,721	133,349	5,444	3,600	3,570	10,513	85	1,031	206,270
Depreciation										
At 1 September 2022	5,948	249	19,658	696	3,116	847	8,230	26	-	38,770
Charge for the year	733	182	2,665	186	89	181	768	28	-	4,833
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 August 2023	6,681	431	22,323	882	3,205	1,028	8,998	54	-	43,603
Net book values										
At 31 August 2023	36,275	5,290	111,026	4,562	395	2,542	1,515	31	1,031	162,667
At 31 August 2022	37,008	2,608	113,691	3,634	270	2,254	1,287	59	2,145	162,956

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

- £0.8m for the upgrades to the entire sites windows at Charnwood College
- £0.6m for Trustwide upgrades to LED lighting following the energy efficiency improvement scheme
- £0.5m for Trustwide fire safety improvements

Assets under construction at 31 August 2023 comprised a range of buildings improvement works across the trust's academies, most of which were completed shortly after the year-end.

Included in Freehold Land and Buildings is land of £8,525,000 (2022: £8,525,000) which is not depreciated.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

13 Investments

The Trust owns 100% of the ordinary shares of David Ross Education Services Ltd, a company incorporated in England and Wales. The company is dormant. Turnover for the year ended 31 August 2023 was £nil, expenditure was £nil and the profit/(loss) for the year was £nil. The assets of the company at 31 August 2023 were £1, liabilities were £nil and capital and reserves were £1.

During the year the Trust deposited £10m into fixed term deposits ranging from 3 to 12 months. These deposits are therefore classified as short term investments in line with the accounting policy in note 1 and are held with the Trust's banking providers.

	2023 £000	2022 £000
Fixed term deposits <12 months	10,000	-
	<u>10,000</u>	<u>-</u>

14 Debtors

	2023 £000	2022 £000
Trade debtors	342	71
VAT recoverable	741	367
Other debtors	85	73
Prepayments and accrued income	3,423	2,889
	<u>4,591</u>	<u>3,400</u>

The Trust has written off £100,000 (2022: £46,000) of trade debtors due to the age and small values individually of these balances resulting in them being unrecoverable. No ESFA approval was required for the write offs given that the value both individually and in aggregate was below thresholds set.

The David Ross Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2023

15 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	1,650	2,018
Other taxation and social security	1,444	1,265
ESFA creditors	572	375
Pension scheme creditor	1,721	1,459
Loans	222	213
Other creditors	95	386
Accruals and deferred income	8,543	10,169
Provision	33	33
	<u>14,280</u>	<u>15,918</u>

	2023	2022
	£000	£000
Deferred income at 1 September 2022	914	933
Released from previous years	(914)	(759)
Income deferred in the year	1,209	740
Deferred income at 31 August 2023	<u>1,209</u>	<u>914</u>

At the balance sheet date the academy trust was holding funds of £1,209,000 (2022: £914,000) received in advance, mainly in respect of Universal Infant Free School Meal funding, Special Educational Needs and Early Years Funding received in advance for the autumn term 2023.

Included in creditors due within one year are interest free loans of £46,000 (2022: £41,000) from Salix. Amounts falling due after one year of £59,000 (2022: £104,000) are included within creditors falling due after one year. A further £176,000 (2022: £172,000) relates to a capital loan from ESFA issued as part of the MAT pilot scheme to fund roof repairs. Amounts falling due after one year of £555,000 (2022: £727,000) are included within creditors falling due after one year.

Included within provisions is a value for holiday pay entitlement for temporary workers following the Harpur Trust vs. Brazel ruling. The final outcome of this case has not yet been determined.

16 Creditors: amounts falling due after one year

	2023	2022
	£000	£000
Loans	614	831
Provision	40	40
	<u>654</u>	<u>871</u>

Included in creditors is a capital loan from the Education and Skills Funding Agency totalling £729,000 (2022: £899,000), 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.; £175,000 (2022: £172,000) is included within creditors falling due within one year and £554,000 (2022: £727,000) 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 2023

17 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	3,841	80,237	(80,323)	(196)	3,558
Start Up Grants	-	132	(132)	-	-
UIFSM	-	707	(707)	-	-
Pupil Premium	-	5,167	(5,167)	-	-
Mainstream Schools allocation	-	1,174	(1,174)	-	-
COVID Recovery premium	-	979	(979)	-	-
Other DfE / ESFA COVID-19 funding	-	431	(431)	-	-
Other DfE / ESFA grants	25	3,878	(3,825)	-	78
Local Authority funding	-	5,113	(5,113)	-	-
Gifts in kind	-	25	(25)	-	-
Other income	-	1,630	(1,630)	-	-
Pension reserve	(5,296)	-	(1,158)	6,258	(196)
	<u>(1,430)</u>	<u>99,473</u>	<u>(100,666)</u>	<u>6,062</u>	<u>3,440</u>
Restricted fixed asset funds					
Donation of transferred assets from local authority	99,128	-	(2,207)	-	96,921
DfE capital grants	56,337	3,636	(1,995)	-	57,978
DfE donated assets	460	-	(258)	-	202
Proceeds from disposal of fixed assets	984	-	(23)	-	961
Other capital grants and donations	11,127	168	(350)	91	11,036
	<u>168,036</u>	<u>3,804</u>	<u>(4,833)</u>	<u>91</u>	<u>167,098</u>
Other restricted funds					
Endowment funds	105	-	-	105	210
Total restricted funds	166,711	103,278	(105,499)	6,258	170,748
Unrestricted funds					
Designated funds	100	-	-	1,000	1,100
Unrestricted general funds	1,293	1,560	(1,147)	(1,000)	706
	<u>1,393</u>	<u>1,560</u>	<u>(1,147)</u>	<u>-</u>	<u>1,806</u>
Total funds	168,104	104,837	(106,645)	6,258	172,554

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 2023

17 Funds (continued)

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

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

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

- 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.
- Pupil Premium is allocated to academies on the basis of deprivation and is intended to support education for children from disadvantaged backgrounds.
- 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.
- Other DfE / ESFA grants mainly relates to the Schools Supplementary Grant, Teachers' Pay Grant, Teachers' Pension Employer Contribution Grant and the Primary PE and Sports Premium.
- Gifts in kind represents non-cash donations of goods and/or services.
- Other income is deemed to be restricted where the funder places conditions on how the income can be spent, or the Trust has undertaken fundraising activities which have been communicated to donors as being for a specific purpose.
- Restricted fixed assets were funded by capital grants from DfE, Local Authorities or from the private sector.
- The restricted endowment funds are The David Ross Education Trust Endowment Fund and the Havelock Academy Endowment Fund.
- 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.
- 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.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

(xi) Designated funds represent funds set aside by trustees to fund future strategic development projects in line with the trust's charitable objects which may include, at the discretion of the trustees, capital works.

The academy trust is carrying a net surplus of £5.442m (2022: £5.259m surplus) on restricted general funds (excluding pension reserve) plus unrestricted funds, which is within the target range as set out in the Trust's reserves policy.

Total funds analysis by academy

From 1 September 2017 the academy trust, as permitted by its funding agreement with the Department for Education and the provisions of the Academies Trust Handbook, pools GAG income and therefore does not recharge out costs for central services to individual academies. As a result of pooling GAG, the year end fund balance 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 2023

18 Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000	£000
Abbey CE Academy	516	93	69	128	805	911
Ainthorpe Primary Academy	1,308	101	80	474	1,963	1,611
Barnes Wallis Academy	2,309	234	240	616	3,399	2,915
Bobby Moore Academy	5,705	483	820	2,327	9,335	6,828
Briar Hill Primary School	1,316	72	50	379	1,816	1,838
Brighthelm Primary School	669	64	56	195	983	812
Cedar Road Primary School	1,300	65	131	401	1,898	1,790
Charles Read Academy	1,785	241	120	569	2,715	2,322
Charnwood College	3,007	454	466	1,539	5,466	3,983
Eastfield Academy	776	38	48	283	1,145	1,155
Edward Heneage Primary Academy	1,215	94	87	355	1,751	1,506
Endike Primary Academy	1,548	71	84	629	2,333	2,169
Eresby Special School	1,235	142	23	456	1,857	1,443
Fairfield Academy	1,243	130	92	328	1,792	1,665
Falconer's Hill Academy	766	92	80	196	1,134	1,049
Greenfields Primary School	1,666	112	86	333	2,197	1,799
Havelock Academy	4,826	534	322	1,488	7,170	5,540
Hogsthorpe Primary Academy	311	71	21	124	527	422
Humberston Academy	3,926	491	464	770	5,650	4,542
Ingoltsby Academy	320	17	28	121	487	377
King Edward VI Academy	2,819	370	204	772	4,166	3,474
Kings Heath Primary Academy	1,312	52	89	458	1,910	1,718
Lodge Park Academy	4,488	470	429	976	6,363	5,266
Malcolm Arnold Academy	5,593	564	1,204	1,454	8,815	7,249
Malcolm Arnold Preparatory School	1,140	60	150	324	1,673	1,519
Newnham Primary School	437	(28)	40	113	562	511
Quay Academy	1,475	76	84	427	2,062	1,784
Rockingham Primary School	1,241	116	96	254	1,706	1,375
Skegness Grammar School	2,982	509	373	933	4,798	3,750
The Arbours Primary Academy	1,018	66	54	398	1,536	1,483
Thomas Hinderwell Primary Academy	1,107	82	61	333	1,584	1,499
Thomas Middlecott Academy	2,586	264	223	736	3,809	3,174
Welton CE Primary Academy	410	104	61	126	701	706
Wold Academy	1,887	134	123	620	2,765	2,467
Central services	3,881	3,414	574	768	8,638	8,356
Academy Trust	68,123	9,851	7,134	20,402	105,510	89,008

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 2023

19 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Permanent Endowment Funds	Total Funds
	£000	£000	£000	£000	£000
Tangible fixed assets	-	-	162,667	-	162,667
Current assets	1,813	15,705	7,289	210	25,017
Current liabilities	(7)	(12,029)	(2,244)	-	(14,280)
Non-current liabilities	-	(40)	(614)	-	(654)
Pension scheme liability	-	(196)	-	-	(196)
Total net assets	1,806	3,440	167,098	210	172,554

Cash balances backing the Permanent Endowment Funds and the Strategic Designated Fund, totaling £1.31m, are held in separate bank savings accounts; which are included in the overall cash balance within current assets.

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

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

20 Capital commitments

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	775	297

Capital commitments at 31 August 2023 relate to building improvement work commenced but only partially complete at several academies. The largest value items within the balance shown is £0.2m relating to installation of a heating system upgrade at Charnwood College and £0.2m for fire compartmentation works at Skegness Grammar. At the prior year-end, capital commitments mainly related to installation of upgraded windows at Charnwood College, commenced but only partially complete at 31 August 2022.

21 Commitments under operating leases

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £000	2022 £000
Land and buildings		
Amounts due within one year	1,518	1,190
Amounts due between one and five years	6,100	4,760
Amounts due after five years	133,020	100,443
	140,639	106,393
Other		
Amounts due within one year	157	115
Amounts due between one and five years	99	148
	256	263

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 £140.639m (2022: £106.393m).

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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

	2022/23 £000	2021/22 £000
Net income / (expenditure) for the year	(1,808)	(3,954)
Adjusted for:		
Depreciation	4,833	4,497
Gain on disposal of fixed assets	-	(129)
Capital grants from DfE and other capital income	(3,804)	(4,261)
Interest receivable	(238)	(11)
Interest payable on loans	20	20
Defined benefit pension scheme service cost less contributions payable	1,158	6,760
(Increase)/decrease in debtors	(1,191)	(98)
Increase/(decrease) in creditors	(1,647)	2,970
Net cash (used in)/provided by operating activities	<u>(2,678)</u>	<u>5,794</u>

23 Cash flows from investing activities

	2022/23 £000	2021/22 £000
Dividends and interest income	238	11
Purchase of tangible fixed assets	(4,544)	(2,444)
Proceeds from sale of tangible fixed assets	-	256
Disposal of investment shareholdings	-	18
Current asset investments in fixed term deposits >3 months	(10,000)	-
Capital grants from DfE Group	3,636	2,568
Capital funding received from sponsors and others	168	272
Net cash (used in)/provided by investing activities	<u>(10,502)</u>	<u>681</u>

24 Cash flows from financing activities

	2022/23 £000	2021/22 £000
Cash inflows from new borrowing	-	91
Repayments of borrowing	(228)	(221)
Net cash used in financing activities	<u>(228)</u>	<u>(130)</u>

25 Analysis of cash and cash equivalents

	2022/23 £000	2021/22 £000
Cash in hand and at bank	10,312	13,815
Notice deposits (less than 3 months)	114	10,018
Total cash and cash equivalents	<u>10,426</u>	<u>23,833</u>

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Analysis of changes in net funds

	At 1 September 2022	Cash flows	Other non-cash changes	At 31 August 2023
	£000	£000	£000	£000
Cash	13,815	(3,503)	-	10,312
Cash equivalents	10,018	(9,904)	-	114
Total cash and cash equivalents	23,833	(13,407)	-	10,426
Short term investments <12 months	-	10,000	-	10,000
Loans falling due within one year	(213)	(228)	219	(222)
Loans falling due after more than one year	(831)	-	217	(614)
Total net funds / (debt)	22,789	(3,635)	436	19,590

27 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.

As at 31 August 2023, the Trust has no contingent liabilities.

28 Members' liability

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

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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

The Trust purchased training and religious education curriculum resources totalling £8,047 (2022: £6,700) during the period, as part of an ongoing relationship. There were no amounts outstanding at 31 August 2023 (2022: £nil).

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

The Trust incurred expenditure of £2,520 (2022: £2,796) in respect of its annual membership fee to The Confederation of School Trusts and £190 (2022: £954) 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.

Knowledge Schools Trust

The Trust incurred expenditure of £150 (2022: £360) with the Knowledge Schools Trust, of which Mr Nick Gibb is a Trustee.

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 the year ended 31 August 2023, Trust pupils benefit from events run with the Nevill Holt Opera, namely the primary music festival, for which there was no charge for services provided and was valued at £8,455 (2022: £7,000)

In the year ended 31 August 2023, the Trust benefitted from use of sports facilities at The University of Nottingham, of which Mr David Ross (Chair of Trustees) is Chair of the Nottingham Development Committee and a member of the University Council, to hold the Trust's seasonal Cup and Performance Conference events, free of charge. This was valued at £11,000 (2022: £20,000).

30 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 £101,356 and disbursed £36,610 from the current year fund. An amount of £77,805 (2022: £4,888) 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 £278,000 (2022: £272,000) to families eligible for benefits-related free school meals during holiday periods, where requested to do so by Local Authorities, as part of the Government's COVID-related Winter Grant Scheme and Holiday Activities and Food programme 2023.

The David Ross Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

31 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 2020 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £1,721,000 were payable to the schemes at 31 August 2023 (2022: £1,459,000) 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 2020. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £8,070,283 (2022: £7,392,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions' website for both 2016 and 2020.

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 2023

31 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 2023 was £5,734,000 (2022: £3,884,000), of which employer's contributions totalled £4,451,000 (2022: £2,931,000) and employees' contributions totalled £1,283,000 (2022: £913,000). 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

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

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

- East Riding Pension Fund: Ainthorpe Primary School, Endike Academy, Edward Heneage Primary Academy, Fairfield Academy, Havelock Academy, Humberston Academy, Quay Academy, Wold Academy.

- Northamptonshire Pension Fund: Abbey CE Academy, Briar Hill Primary School, Cedar Road Primary School, Eastfield Academy, Falconer's Hill Academy, Greenfields Primary Academy, Kings Heath Primary Academy, Lodge Park Academy, Malcolm Arnold Academy, Malcolm Arnold Preparatory School, Newnham Primary School, Rockingham Primary School, The Arbours Primary Academy, Welton CE Primary Academy.

- Lincolnshire Pension Fund: Barnes Wallis Academy, Charles Read Academy, Eresby Special School, Hogsthorpe Primary Academy, Ingoldsby Academy, King Edward VI Academy, Skegness Grammar School, Thomas Middlecott Academy.

- North Yorkshire Pension Fund: Thomas Hinderwell Primary Academy.

- Leicestershire Pension Fund: Brighthurst Primary Academy and Charnwood College.

- London Borough of Newham Pension Fund: Bobby Moore Academy.

	East Riding %	Northants %	Lincs %	N Yorks %	Leics %	Newham %
Principal Actuarial Assumptions						
Rate of increase in salaries	2.95	3.50	3.90	3.85	3.50	3.90
Rate of increase for pensions in payment / inflation	2.95	3.00	2.90	2.60	3.00	2.90
Discount rate for scheme liabilities	5.20	5.20	5.30	5.00	5.20	5.25
Inflation assumption (CPI)	2.95	3.00	2.90	2.60	3.00	2.90
Commutation of pensions to lump sums; pre-April 2008 service	65	50	50	80	55	50
Commutation of pensions to lump sums; post-April 2008 service	80	75	50	n/a	75	50

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

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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	21.1	18.0	19.5	22.0	18.7	19.6
Females retiring today	24.0	23.4	22.6	24.5	24.3	23.0
Males retiring in 20 years	21.9	20.6	20.8	22.9	20.3	21.0
Females retiring in 20 years	25.5	24.7	24.0	25.5	25.2	24.5

Assumed life expectation on retirement age 65 - Prior Year

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

31 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	609	416	245	20	92	15
0.1% increase in Salary Increase rate	37	13	12	1	6	
0.1% increase in the Pension Increase Rate (CPI)	584	411	239	19	88	16
Mortality assumption – 1 year increase in life expectancy	999	711	386	21	174	15

	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 2024	1,198	1,073	1,932	60	309	99	4,671

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2023	Total 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Equities	19,826	12,348	8,977	322	2,601	352	44,426	42,265
Bonds	4,681	4,780	1,911	105	1,551	75	13,103	8,976
Property	2,478	2,589	1,080	40	319	58	6,564	6,885
Cash	551	199	496	1	91	18	1,356	787
Other			2,074	132		72	2,278	93
Total market value of assets	27,536	19,916	14,538	600	4,562	575	67,727	59,006
Present value of schemes' liabilities - funded	24,986	17,779	13,319	791	4,352	580	61,807	(64,302)
Surplus/(Deficit) in the schemes	2,550	2,137	1,219	(191)	210	(5)	5,920	(5,296)
Restriction of pension funds in a surplus position	(2,550)	(2,137)	(1,219)		(210)		(6,116)	
Total deficit in the schemes following restriction of surplus				(191)		(5)	(196)	(5,296)

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	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 2023	(30)	(88)	331	81	(7)	-	287
Actual return on the scheme assets, year ended 31 August 2022	(375)	(1,217)	16	(78)	(5)	2	(1,657)

Amounts recognised in Statement of Financial Activities

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2022/23	Total 2021/22
								£000
Current service cost	1,726	1,360	1,782	62	283	184	5,397	8,813
Total operating charge	1,726	1,360	1,782	62	283	184	5,397	8,813
Interest income on pension scheme assets	(1,076)	(786)	(520)	(20)	(181)	-	(2,583)	(976)
Interest cost on pension liabilities	1,181	835	530	32	207	10	2,795	1,854
Net pension finance cost / (income)	105	49	10	12	26	10	212	878
Total cost recognised in the SOFA	1,831	1,409	1,792	74	309	194	5,609	9,691

31 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 2022/23	Total 2021/22
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 September	26,950	18,977	12,543	813	4,742	227	64,252	108,941
Current service cost	1,726	1,360	1,782	62	283	184	5,397	8,813
Interest cost	1,181	835	530	32	207	10	2,795	1,854
Redclassification of scheme in negative asset position	-	-	-	-	-	-	-	50
Employee contributions	456	312	403	14	57	41	1,283	913
Actuarial (gains)/losses	(4,898)	(3,438)	(1,381)	(92)	(867)	132	(10,544)	(55,286)
Benefits paid out	(429)	(267)	(558)	(38)	(70)	(14)	(1,376)	(983)
At 31 August	24,986	17,779	13,319	791	4,352	580	61,807	64,302

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

	East Riding	Northants	Lincs	N Yorks	Leics	Newham	Total 2022/23	Total 2021/22
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 September	24,714	17,961	11,721	487	4,123	(50)	58,956	57,752
Interest income	1,076	786	520	20	181	-	2,583	976
Redclassification of scheme in negative asset position	-	-	-	-	-	-	-	50
Actuarial gain/(loss)	502	81	689	61	(13)	510	1,830	(2,633)
Employer contributions	1,217	1,043	1,763	56	284	88	4,451	2,931
Employee contributions	456	312	403	14	57	41	1,283	913
Benefits paid	(429)	(267)	(558)	(38)	(70)	(14)	(1,376)	(983)
Derecognition of surplus asset on scheme	(2,550)	(2,137)	(1,219)	-	(210)	-	(6,116)	-
	24,986	17,779	13,319	600	4,352	575	61,611	59,006