

Registrar of Companies

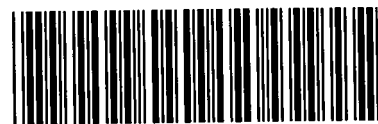


DANES EDUCATIONAL TRUST

Chenies Road, Chorleywood, Hertfordshire WD3 6EW
www.daneseducationaltrust.org.uk



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COMPANIES HOUSE

Consolidated Annual Report and Financial Statements

31st August 2020

Company Limited by Guarantee
Registration Number
07671949 (England and Wales)

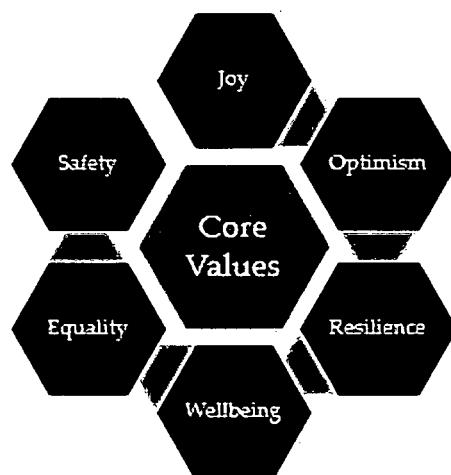
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Reference and administrative information

Year to 31 August 2020

Members Mrs L Clarkson MBE - Chair
(Holborn Estate Charity Trustee)
Mr M Bruce – appointed 19.03.19
(Holborn Estate Charity Trustee)
Mrs R Hadfield MBE
(Holborn Estate Charity Trustee, St Clement
Danes School Anchor Fund Trustee)
Mrs K Unger (Vice Chair Trust Board)
Mrs J Bristow – Chair – appointed 18.07.19 – resigned 18.03.20

Trustees Mrs K Unger – Vice Chair – appointed Chair – 30.03.20
Mr N Blythe
Mr T Coulson – appointed 28.11.19
Mrs C Garner
Mrs R Gauke
Dr M Green
Ms K Hardwidge – appointed 12.10.20
Dr E Kelly – appointed 30.03.20 – resigned 04.12.20
Mrs L O'Connor – appointed 12.10.20
Dr J A Valentine OBE

Danes Educational Trust
CEO & Accounting Officer Dr J A Valentine OBE

Central Services Directors
Director of Finance & CFO Mrs N Hammond
Director of Resources Mr D Richards
Trust Improvement Director Miss R Brindley
Trust Development Director Mrs P Bremner

Registered address C/o St Clement Danes School
Chenies Road
Chorleywood
Hertfordshire
WD3 6EW

Company registration number 07671949 (England and Wales)

External Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds Bank PLC
PO Box 1000
Andover
BX1 1LT

Solicitors BrowneJacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Danes Educational Trust – Trading Subsidiaries

Danes Educational Trust Trading Ltd	Directors
Company Registration Number 09957708	Dr J A Valentine OBE, Mr C Marks, Mr T Sutherland

Herts & Bucks Teaching School Alliance Ltd	Directors
Company Registration Number 09160328	Dr J A Valentine OBE, Mr E Conway Miss R Brindley



DET Schools

Danes Educational Trust Schools (5)

St Clement Danes – Chorleywood

Headteacher	Mr T Sutherland
Deputy Headteacher	Mrs J Jones
Deputy Headteacher	Mr C Marks
Assistant Headteacher	Ms S Doyle
Assistant Headteacher	Mr M Garvey
Assistant Headteacher	Mr A Harris
Assistant Headteacher & Director of Sixth Form	Mrs A Ryan
School Board Chair	Mr M Day
School Board Vice Chair	Mr M Garial
Honorary Governor	Mr W Carey MBE
Governor	Mr S Clarke
Governor	Mr N Edwards
Governor	Ms C Haggith-Khonje
Governor	Dr S Kemp
Governor	Mrs P Shah
Governor	Mrs C Steet
Governor	Mrs A Ward
Governor	Mrs K Ingleby (Staff)
Governor	Mrs D Harvey (Support Staff)

Croxley Danes School – Croxley Green

Headteacher	Mr S Thompson
Deputy Headteacher	Miss O Ridge
Assistant Headteacher	Mrs C Brewer
Assistant Headteacher	Miss K Wilding
School Board Chair	Mr T James
School Board Vice Chair	Mrs J Thorn
Governor	Mr J Bishop
Governor	Mr I Casselton
Governor	Mr R Fisher
Governor	Ms D Rose
Governor	Mrs D Shaw
Governor	Mrs C Watson

Chancellor's School – Hatfield

Headteacher	Mr D Croston
Deputy Headteacher	Mrs E Grant
Deputy Headteacher	Mr J Huddleston
Assistant Headteacher	Mrs S Antwi
Assistant Headteacher	Mrs K Goodman
Assistant Headteacher	Mr C Price
Assistant Headteacher	Mrs S Reilly

Chancellor's School continued

School Board Chair	Mr J Buoy
School Board Vice Chair	Mr T Dowdall
Governor	Mrs J Buoy
Governor	Mrs A Campbell
Governor	Mrs J Chadwell
Governor	Mr D Follett
Governor	Ms C Rendell
Governor	Mrs F Souleiman
Governor	Mrs L Toye
Governor	Mr K House (Staff)
Governor	Mrs N Patrick (Staff)

Onslow St Audrey's School - Hatfield

Headteacher	Mr D Bullock
Deputy Headteacher	Mr R Bird
Deputy Headteacher	Mrs J Casotti
Assistant Headteacher	Mrs J Flint
Assistant Headteacher	Miss G Sahin
Chair of Governors	Mrs S McEleavey
Governor	Mr B Cullis
Governor	Ms J Hayes
Governor	Mr C Hope
Governor	Ms F Jablonski
Governor	Ms S Martin
Governor	Mr A Zaidi

De Havilland Primary School – Hatfield

	(joined 01.10.20)
Executive Headteacher	Mrs P Bremner
Head of School	Mrs S King
Assistant Headteacher & SENCO	Mrs L Walker
Chair of Interim Action Board	Mr J Huddleston
Member of Interim Action Board	Mr S Astley
Member of Interim Action Board	Mrs J Flint
Member of Interim Action Board	Mrs S Poole
Member of Interim Action Board	Mrs J Stevens
Member of Interim Action Board	Dr J A Valentine OBE



Trustees' Report

The Trustees of Danes Educational Trust ('the Trust'), present their annual report together with the financial statements of their two trading subsidiaries, Danes Educational Trading Limited and Herts & Bucks Teaching School Alliance Limited for the year to 31st August 2020. This annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

As at the 31st August 2020 the Trust comprised four secondary academies ('the Academies'). De Havilland primary school joined on the 1st October 2020

1. St Clement Danes School in Chorleywood
2. Croxley Danes School in Croxley Green
3. Chancellor's School in Potters Bar.
4. Onslow St Audrey's School in Hatfield
5. De Havilland Primary School in Hatfield

The financial statements have been prepared in accordance with the accounting policies set out on pages 41 to 45 of the attached financial statements and comply with the Trust's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice as applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Structure, governance and management

Constitution

Danes Educational Trust (the Trust') is a charitable company limited by guarantee and an exempt charity. The primary governing documents of the Trust are the Memorandum and Articles of Association. The Trustees act as the Trustees for the activities of the Trust. Details of the Trustees who served throughout the year are included on page 25.

Members' liability

Each member of the Trust undertakes to contribute such amount as may be required, not exceeding £10, to the Trust's assets if it should be wound up while they are a Member, or within one year after they cease to be a Member, for payment of the Trust's debts and liabilities contracted before they ceased to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Trustees' indemnities

The Trustees are indemnified in respect of their duties on behalf of the Trust to the extent that they are covered within the specific provisions of the ESFA Risk Protection Arrangement (RPA).

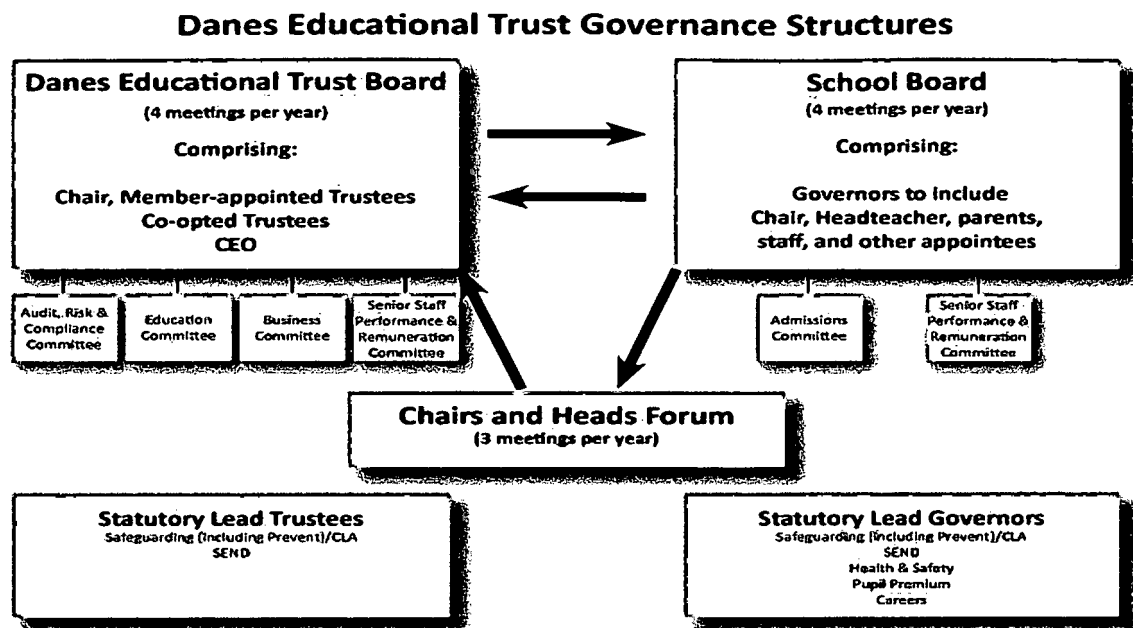
Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three but is not subject to any maximum.

The Members of the Trust ("Members") may appoint up to five Trustees and the Trustees themselves may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees, who have not themselves been so appointed.

The Chief Executive Officer (CEO), who is also the nominated Accounting Officer for the Trust, shall be treated for all purposes as being an ex officio Trustee.

The total number of Trustees (including the CEO) who are employees of the Trust must not exceed one third of the total number of Trustees.



Policies and Procedures Adopted for Induction and training of Trustees

Newly appointed Trustees are provided with key documents, including recent minutes, prior to an induction session with the CEO and Chair of Trust Board. Another experienced Trustee is allocated as a mentor.

Organisational structure

Subject to provisions of the Companies Act 2006, the Articles of Association of the Trust ("Articles") and to any directions given by special resolution, the business of the Trust shall be managed by the Trustees. A meeting of the Board of Trustees at which a quorum is present may exercise all the powers of the Trust.

The Articles expressly confer upon the Trustees the following powers, namely to:

- expend the funds of the Trust in such a manner as they shall consider the most beneficial for the Trust;
- to invest in the name of the Trust such parts of the funds as they see fit;
- to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects;
- and to enter into contracts on behalf of the Trust.

The Trustees may delegate to any Trustee, committee, the CEO, Headteacher or any other holder of an executive office, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Trustees may impose and may be revoked or altered. Where any delegated power or function of the Trustees is exercised by any committee, any Trustee, the CEO, Headteacher or any other holder of an executive office, that person or committee shall report to the Trustees in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the Trustees immediately following the taking of the action or the making of the decision. The schedule of financial delegation gives guidance on delegated powers and is subject to regular review.

Arrangements for setting pay and remuneration of key management personnel

The CEO will be appraised by three Trustees and a suitably skilled and/or experienced adviser. The CEO will be the lead appraiser for Headteachers and Central Services Directors. For Headteacher appraisals a panel will be set by the CEO which will normally include the Chair of School Board or other designated Governor from the Headteacher's school and another suitably skilled and/or experienced adviser acting in an advisory capacity.

The CEO, Headteachers and Central Services' Directors must have their appraisal completed and the written appraisal report finalised no later than 31 December each year.

Headteachers will be the lead appraiser for performance management of senior staff within their own school. All other teachers will be appraised as per the school's published Appraisal arrangements. Teachers will receive written appraisal reports no later than 31st October. Senior Leaders within schools will receive their written appraisal reports no later than 31st December.

Recommendations on pay will be made by the Senior Line Manager or appraisers. Senior staff progression remuneration will be referred to the School Board or Trust Board sub-committees (Senior Staff Pay and Remuneration Committee) as appropriate. The CEO will present appropriate pay recommendations and an account of the appraisal process including an assessment of staff training and development needs to the Trust SSPR committee for Headteachers and Directors.

Headteachers will present appropriate pay recommendations and an account of the appraisal process including an assessment of staff training and development needs to the School Board SSPR committee for senior staff within the school and progression onto and within the Upper Pay Scale

Trade union facility time

As the Trust does not employ any trade union representatives, there is no cost to the Trust in respect of Facility time, and hence there is nothing to disclose in respect of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Related Parties and other Connected Charities or organisations

The Trust has had the support and financial backing in the year from the following connected charities:

- St Clement Danes Holborn Estate Charity (206754)
- St Clement Danes School Anchor Fund (1084865)
- St Clement Danes School Parents' Association Charity (272125)
- Croxley Danes Parent Association Charity (1180118)
- Chancellor's School Parent Teacher Association Charity (311046)
- Onslow St Audrey – Richard Thompson Gunton Memorial Fund (311049)
- Onslow St Audrey – Hatfield Rotary Club (1030942)

Onslow St Audrey's Academy Trust is a partner school in the Welwyn and Hatfield 14-19 Consortium. This is predominantly an arrangement for post 16 study and allows students from all schools to undertake a wide a curriculum as possible for post 16 study.

Central Services is currently providing Business and Educational support with a Service Level Agreements (SLA) to the following organisations:

- Elstree Screen Arts (ESA) formally Elstree UTC
- West Herts Community Free School Trust

Engagement with employees (including disabled persons)

Providing employees with information on matters of concern to them

The Trust makes use of In-Service Training (INSET) days to provide information to employees, as well as regular staff briefings and a monthly Trust-wide newsletter.

Consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests

In 2019/20 the Trust introduced its first Trust-wide staff survey to provide employees with the opportunity to provide feedback on matters including leadership, communication and professional support. This feedback has been used to inform action plans aimed at improving the experience of employees. The survey will be repeated annually so that improvements can be measured. In addition, each school has a staff committee with the aim of giving employees a forum to feedback to management on matters affecting their interests.

Encouraging the involvement in the company's performance

As an education provider, performance is measured by academic results and statutory inspections, by its nature this means that all staff are involved in the Trust's performance. All staff are set annual objectives during the appraisal process which link to the Trust's Strategic Plan ensuring all staff are contributing to performance.

Achieving a common awareness on the part of employees of the factors affecting the performance of the company

Employees are well informed of the performance of the Trust through forums outlined above. In 2019/20, the Trust introduced an annual improvement cycle focusing local actions on achieving improved performance.

Its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development, and promotion of disabled persons

The Trust has an Equal Opportunities policy which sets out its commitment to promoting equality of opportunity for all staff and job applicants. This policy aims to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. The policy applies to all protected characteristics including disability.

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust builds strong relationships with all their stakeholders, in regard to suppliers we think about procurement and contracts. Supplier management is about people management and the added value the human aspects of business can bring. In all of our business relationships we ensure that we are transparent and equitable following the guidance set out in the ESFA academies financial handbook and the Trust Scheme of delegation. As a publicly funded charity we ensure that we deliver best value from our business transactions.

About our Trust

Objects

The objects of the Trust are detailed within our Articles of Association and stated as:

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 schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs.

In furtherance to the Objects the Trust is able to exercise powers including:

- operate a bank account
- raise funds
- acquire, improve and dispose of property
- employ staff
- establish or support charities and companies formed to support the object
- co-operate with 3rd party bodies to support the object
- establish, maintain, develop and manage academies at determined locations
- offer scholarships and awards to encourage and assist educational attainment
- provision of educational facilities and services to students of all ages and the wider community
- carry out research into the development of education
- deposit and invest funds of the Trust
- delegate the management of funds to a financial expert in line with the investment policy
- provide indemnity arrangements to Trustees
- establish subsidiary companies for the purposes of trading and raising funds
- to do all such other things that are lawful and necessary or incidental to the achievement of the object

During the year 1st September 2019 – 31st August 2020 all activities of the Trust were in accordance with our objects and powers.

Aims

The Trust aims to develop optimistic, resilient learners and valued, empowered staff through local, national and global partnerships.

Trust aims are embedded through our core values, behaviours and pledges to learners, staff and the wider community:

Core values

- We value **joy** in working, teaching and learning together
- We encourage everyone within our Trust to feel **optimistic** about the future and how they can shape it
- We support all individuals in developing **resilience** to enable them to respond to change and grow as a result
- We value and support the **wellbeing** of all individuals who learn and work in our schools
- We provide **equality** of opportunity and experience for all
- We provide a **safe** and secure learning environment for all.

Core behaviours

We are unified in our Core Behaviours. We display transparency, kindness and respect in all our interactions with others, and support each other in all our endeavours. We are tenacious in our desire to make the difference together.

Pledges to our learners

- We will know you, listen to you and help you to know yourselves
- We will support you to become successful, active, and independent
- We want you to be curious, adaptable, creative and courageous
- We will give you opportunities to reach your potential through taking risks and applying your learning beyond the classroom.

Pledges to our staff

- We will maintain a face-to-face culture where you are known, valued and supported
- We will nurture your talent, know your aspirations, and provide you with rich, diverse and personalised development
- We will encourage you to develop new initiatives and empower you to take these forward

Pledges to our community

- We will work closely with parents and carers, listen to you and take account of your views
- We will work with governors and the local community to develop strong partnerships that support our families
- We will work through regional, national and global partnerships to learn from others and share best practice.

Objectives, strategies and activities

The Trust Improvement plan outlines our current objectives, strategies and activities.

Our strategic priorities and associated activities during 2019 – 2020 included:

1. Development of our learners through ensuring quality and equality of provision across all schools

- The Trust will implement a robust, rigorous school improvement strategy and the development of a Trust-wide data management system
- All schools within the Trust will embed personalisation strategies and assessment practices which ensure that every learner is known and understood
- All schools and the Trust will provide an extensive range of student leadership opportunities
- All schools within the Trust will provide learners with opportunities to reach their potential and apply learning beyond the classroom

2. Development of successful, active and independent learners through quality first education

- The Trust's ambition is that we will develop curriculum principles which ensure that all Trust learners have access to a shared vision of 'success' which enables them to remain curious, creative and courageous
- The Trust's ambition is that we will develop a Teaching & Learning philosophy which enables all Trust learners to reach their potential
- The Trust will develop a strategy for Oracy to give our learners an ability to use talk to think effectively together and to provide them with life-long confidence
- The Trust will implement a robust, rigorous Quality Assurance process to measure the impact of Teaching and Learning

3. Development of a Trust well-being strategy for our learners

- The Trust will ensure that schools have the appropriate infrastructure to support the well-being of learners
- The Trust is committed to ensuring that PSHCE programmes in its schools have high status and are relevant, innovative and well resourced
- The Trust will further develop expertise across Trust schools to support learners' mental health and well-being

4. Development of a Trust well-being strategy for our staff

- All leaders will promote the Trust's Core Behaviours of kindness, transparency and respect and ensure they permeate all aspects of school in order that the Core Principles are 'lived' through all that we do
- The Trust will investigate and implement effective, operational strategies which will reduce workload for staff across all schools

5. Ensure the Trust wide School Improvement strategy continues to be highly effective and bespoke to all school needs

- The Trust will consistently strive to ensure that all Trust schools are seeking an upward trajectory of improvement with the aspiration of world-class performance
- Through collaboration, challenge and support, performance across Trust schools will be accelerated
- Robust evidence-based practice and strategy which is responsive to emerging needs will underpin a rigorous school improvement strategy
- Through an understanding of each school's particular strengths, the Trust will encourage all Trust schools to engage in school improvement work

6. Development of a sustainable Growth Strategy for the Trust

- The pace of growth of the Trust will always ensure that there is capacity for existing Trust schools to continue their journey of development and for joiner schools to demonstrate measurable improvement within two years
- Through due diligence, we will ensure that the philosophy and ethos of schools joining the Trust aligns with the Trust's principles so that they can benefit from being part of the Trust from day one
- Through rigorous and robust financial management, we will ensure sustainable growth through a comprehensive financial resilience plan which takes account of current and potential risks

7. Further develop effective Governance

- The Trust will ensure that Governance at both Trust Board level and school level is highly effective and provides support and challenge to all schools within the Trust

8. Become an employer of choice

- The Trust will ensure that a comprehensive recruitment and retention strategy is in place to support schools in attracting, developing, talent spotting and retaining high quality staff
- The Trust will develop a robust and rigorous staff development strategy to include induction, performance development and career opportunities within the Trust
- The Trust will provide an outstanding leadership development programme through a range of leadership opportunities which extend beyond one school
- The Leaders of Purpose programme will ensure all staff have a voice and can contribute to the strategic development of the Trust as we grow

9. Develop a Trust Estates strategy

- The Trust will ensure that there is a high-quality learning and working environment in all of its schools
- The Trust will be ambitious to maximise capital income
- The Trust will ensure there is a clear, open and transparent audit process to establish Estates' needs
- The Trust will develop a 5-year Estates plan, taking into account the Trust's growth strategy and financial resilience plan

10. Develop Trust wide IT systems so that they are fit for purpose as the Trust grows

- The Trust will invest in new systems or enhance existing systems in order to improve staff efficiencies
- The Trust will enhance and empower all staff using ICT; they will have the training required to effectively utilise the latest relevant technologies, ensuring excellent educational provision

11. Further develop effective communication within and beyond our Trust (See also Priority 7)

- The Trust will develop robust, responsive and effective communication structures to ensure governors, staff, parents and students are informed and involved in developments across the Trust
- The Trust will ensure its vision and values are clearly and regularly articulated to stakeholders in every school
- The Trust will develop its identity nationally through a comprehensive web and social media strategy

Public Benefit

The Trustees are satisfied that their Academies have complied with the Trust's requirement for the public benefit of education for students. This is demonstrated by the continued excellent public examination results achieved by the students of the Trust and; the destination of choice for the majority of its students being University.

Going forward, following De Havilland Primary joining the Trust the Trustees will fulfil the aim to ensure the educational provision for students aged 3-18.

Strategic Report

Achievements and performance

Notable achievements and performance against the strategic objectives and activities as detailed in the Trust strategic plan include:

1. Development of our learners through ensuring quality and equality of provision across all schools

- A robust and rigorous school improvement strategy is in place and has been implemented successfully across the academic year across all Trust schools

2. Development of successful, active and independent learners through quality first education

- Curriculum Principles have been shared across Trust schools and a new Curriculum Intent and Implementation policy introduced for all Trust schools.
- The Trust Leadership Form has driven thinking on Teaching and Learning philosophy to enable all learners to reach their potential leading to a new Teaching and Learning Quality Assurance Cycle due for implementation from September 2020.
- Launch of Oracy strategy with associated training to give our learners an ability to use talk to think effectively together and to provide them with life-long confidence

3. Development of a Trust well-being strategy for our learners

- Trust Inclusion and Safeguarding Lead identified for September 2020 developing a Trust approach to support the well-being of learners
- Collaborative work across Trust schools including cross phase sharing of Personal, Social, Health, Citizenship and Economic (PSHCE) curriculum resources and content
- Very successful Mental Health Matters Conference in November 2019 to share best practice strategies
- Special Educational Needs and Disability (SEND) policy and Exclusions policies have been reviewed and updated to ensure that mental health is considered and provision is in place to support learners

4. Development of a Trust well-being strategy for our staff

- Trust Behaviours are promoted through staff induction and training materials and explicitly referenced in job descriptions and recruitment material, website etc.
- Trust staff surveys have focused on well-being and retention – individual feedback has been given to each school to now take forward through staff appraisal processes
- Trust staff survey demonstrates positive well-being against industry benchmarks; staff support and relationships 85% positive (11% higher than industry benchmark) and general job satisfaction 74% positive (19% higher than industry benchmark)
- High engagement with Trust staff survey with 79% of staff taking part in the survey
- Staff have access to supervision and counselling services alongside an Employee Assistance Programme (EAP) to support well-being
- Trust newsletter 'DET Dispatch' launched ensuring that staff receive regular communication about the Trust. The June edition focused entirely on well-being with staff offered wellbeing online talks from a series of invited speakers.

5. Ensure the Trust wide School Improvement strategy continues to be highly effective and bespoke to all school needs

- Bespoke school review and school improvement plans are individual and adjusted to emerging needs of Trust schools
- Detailed review of the Improvement Plans by the Education Committee to provide Trustee level challenge to the Education team
- Gold standard educational KPI achieved within school review process of Trust schools demonstrating world class education
- Evidence of schools moving from red KPIs to green within an academic year with support from Trust Central Services, specifically Human Resources and Finance KPIs
- School Improvement Service level (SLA) agreement with Elstree Screen Arts Academy (formerly Elstree UTC) delivered a 'Good' Ofsted rating in September 2019 moving the school forward from previous 'Requires Improvement' ratings
- Trust Enrichment Plans in place across the Trust with schools sharing excellent practice to deliver school improvement

6. Development of a sustainable Growth Strategy for the Trust

- The transfer of De Havilland Primary School to the Trust secured with the Department for Education confirming transfer of 1st October 2020 following detailed due diligence exercise and risk assessment.
- With De Havilland Primary school joining the Trust the vision of providing all through education 3 – 18 years is realised, with the learners from De Havilland Primary School transferring to Secondary Schools within the Trust
- Approval obtained for the transfer of Elstree Screen Arts Academy to the Trust following thorough due diligence and application to the Department for Education
- Growth of Trust Central Services team during the year to support Education, Governance, Human Resources and Finance
- Due diligence process thoroughly explores potential alignment of philosophy and ethos of joiner schools

7. Further develop effective Governance

- Head of Governance appointed to Central Services in January 2020
- Clerking arrangements reviewed across the Trust and new Clerks appointed to help ensure effective governance
- Induction training for governors new to the Trust implemented April 2020
- Scheme of Delegation and Terms of Reference reviewed
- Trust policy management and review system refreshed and updated to meet need with school policy leads trained

8. Become an employer of choice

- Appointment of Recruitment Manager from September 2019 to support schools with recruitment need
- All schools fully staffed for 1st September 2020
- Consistently branded recruitment material launched during the year
- Enhance use of social media across Trust to promote employment opportunities
- Continued Professional Development opportunities available for all staff including National Professional Qualification for Headship
- Trust wide Professional Development Programme developed for implementation from September 2020
- Staff survey demonstrates a staff intention to stay of 68%. This is above the industry benchmark of 60%

9. Develop a Trust Estates strategy

- Completion of new school construction work for Croxley Danes School ensuring that new buildings and facilities are ready to accommodate students from 1st September 2020
- Commencement of £3,850,000 expansion project at Chancellor's School delivering an additional 1 form of entry at Year 7 and new facilities including; Sports Hall, 7 class rooms, Multi Use Games Area (MUGA) and additional carparking
- Funding of £3,385,000 from Hertfordshire County Council secured to expand Onslow St Audrey's School delivering an additional 1 form of entry and new facilities including, new Science class rooms, refurbished tennis courts and additional car parking
- Condition Improvement Fund (CIF) projects agreed securing £1,684,876 into capital projects at Trust schools (Chancellors £247,414 – fire door replacement, Onslow St Audrey's £605,407 – roof and ceiling replacement, St Clement Danes £832,055 – roof replacement)

10. Develop Trust wide IT systems so that they are fit for purpose as the Trust grows

- Google for Education Strategy in place for all Trust schools
- Migration of Management Information System at Onslow St Audrey's School to SIMS
- Implementation of Trust ICT support model with Regional Network Manager in place across local hubs to deliver effective ICT Support

11. Further develop effective communication within and beyond our Trust

- Appointment of Marketing and Communications Manager from 1st September 2019
- Trust CEO engaged with Department for Education Ministers regarding future strategy for Multi Academy Trusts
- Growing social media presence of the Trust and schools
- Chairs and Heads Forum ensures School Boards are fully represented and consulted as Trust develops
- Trust newsletter, DET Despatch, launched ensuring that staff receive regular communication about the Trust
- Staff survey results demonstrates 60% positive response rates in relation to communication within the Trust, this being 40% higher than the industry benchmark when benchmarked against other schools.

Key performance indicators

The following are the key indicators of financial performance for the Trust:

1. Net result on Restricted General Annual Grant (GAG) and Unrestricted funds

The Trust set itself a balanced budget for the year to 31 August 2020 in terms of the net surplus in GAG and unrestricted funds for the year. The Trust's 'in-year' net movement in funds amounted to a surplus of £7,442k (2019 £23,043k). This includes the effect of the transfer in of net assets of £5,509k (2019 £23,806k LA conversion Chancellors) from the Academy conversion of Onslow St Audrey School.

Excluding net income attributable to the fixed assets fund of £8,891k (2019 £23,604k), fixed asset purchases from revenue funds of £596k (2019 £489k), the net liabilities of £1,345k (2019 £21k) inherited from Onslow St Audrey, and the FRS 102 adjustments for the LGPS [actuarial gain of £189k (2019 loss of £471k), service cost £659k (2019 £172k) and interest cost of £67k (2019 £21k)], the Trust achieved an 'in-year' operational deficit of £163k (2019 £360k).

2. The percentage of payroll costs to total income.

The indicative average threshold for the percentage of payroll costs to total incoming funds is 65 to 80%. During account year 2019-20 The Trust achieved an outcome of 78% (2019 70%) (2019-20 Average 78%).

3. Educational Outcomes (2020 Centre Assessed Grades after National uplift)

Due to the Covid19 pandemic public examinations for KS4 and KS5 did not take place in the Summer of 2020, with schools directed by Government to use Centre Assessment Grades. Whilst there is no statutory requirement to publish the outcomes in 2020, the centre assessed grades given to learners provide essential KPI data to demonstrate the effectiveness of our educational activities.

Key Stage 4	England Ave. 2019	LA Ave. 2019	St Clement Danes School	Chancellor's School	OSA	Croxley Danes School -first exam results due Summer 2022
% entering the English Baccalaureate	40%	48%	58%	82%	4%	N/A
% achieving Grade 5+ in EM	43%	52%	82%	68%	36%	N/A
% achieving Grade 4+ in EM	65%	73%	95%	81%	66%	N/A
Attainment 8	46.7	51.1	64.9	55.4	45.4	N/A
English Baccalaureate APS	4.07	4.56	6	5.2	3.5	N/A
Key Stage 5						
APS per A Level Entry	32.87	35.03	44	38.9	35.3	N/A
APS per A Level Entry expressed as a grade	C+	B-	B+	B	C+	N/A
APS for a learner's best 3 A Levels	32.89	35.55	44.3	38.8	34.1	N/A
APS for a learner's best 3 A Levels expressed as a grade	C+	B-	B+	B	C+	N/A
Achieving A Level at AAB or higher (in at least two facilitating subjects)	14.1%	18.1%	32%	27%	0%	N/A
APS per academic entry	33.02	35.35	44.1	38.9	35.3	N/A
APS per academic entry expressed as a grade	C+	B-	B+	B	B-	N/A
APS per Applied General Qualifications	28.89	28.85	41.2	29.9	27.7	N/A
APS per Applied General Qualifications expressed as a grade	Merit +	Merit +	Dist+	Merit+	Merit+	N/A

4. Learners on roll at Trust Academies

St Clement Danes School in Chorleywood – 1585 learners – 8 forms of entry

Staff FTE: Teachers 81.4 - Support 35.3 – Total 116.7

Croxley Danes School in Croxley Green – 660 learners – 6 forms of entry

Staff FTE: Teachers 39.2 – Support 17.3 – Total 56.5

Chancellors School in Hatfield – 1188 learners – 7 forms of entry

Staff FTE: Teachers 76.3 – Support 30.1 – Total 106.4

Onslow St. Audrey School in Hatfield – 798 learners – 7 forms of entry

Staff FTE: Teachers 52.2 – Support 31.6 – Total 83.8

De Havilland Primary School in Hatfield - 437 learners – 2 forms of entry

Staff FTE: Teachers 18.8 – Support 23.61 – Total 42.41

Our Academies had a combined learner capacity of 4668 in the October 2020 School Census.

Going concern

The Trust's reserves remain in a level position, despite the effect of the COVID-19 pandemic and are available to cover short-term deficits at any of our Schools.

After making appropriate enquiries and working with the Trust Governance Lead, Clerks, Accounting Officer, Chief Financial Officer and Central Services finance team the Trustees have determined that there is no material uncertainty that casts doubt on the Trust's ability to continue as a going concern. They do expect COVID-19 might have some impact in relation to future expenditure but are content that the Trust has adequate resources to continue in operational existence for the foreseeable future.

These financial statements are prepared on a 'going concern' basis and there are no other material factors that would make this assumption doubtful.

Financial review

The Trust continues to operate effectively in an environment where our Income is significantly restrained. This year we have had the added impact and additional costs associated with COVID-19. We work hard to manage our resources efficiently to give the learner in our care the highest possible education within our resources.

The majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to particular purposes ie: the objects of the Trust. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

Changes in income in 2020

These increases will impact the figures on the statement of financial activities and balance sheet:

Income detail	Reason	Approx. increase £,000
Funding for Trust's educational operation	4 Secondary Schools operating for a full 12 months and an increase in pupil numbers from 3,905 to 4,668	11,965
Donations and capital grants	3 Trust Schools have large capital projects	2,837
Other trading income	Increased hiring's across Trust Schools	236

Fixed Assets

In accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with Financial Reporting Standard 102 and the Academies Accounts Direction, grants for fixed assets 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 life of the assets concerned and capital projects works not capitalised in the financial statements.

Designated Funds

These are funds that are designated for a specific purpose for the benefit of Students or schools. The Trustees can allocate funds from unrestricted general to designated for any purpose within the Trust's objects for use at any of its Schools. Details of designated funds can be found in note 16.

Reserves policy

It is the Trustees' policy to maintain adequate reserves to support the consistently good educational provision over the foreseeable period ahead, particularly with the continued prospect of limited funding, changes as a result of the National Funding Formula, increasing employment and pensions costs and consequently ever tightening in-year budgets.

As at 31 August 2020 the Trust held free reserves of £2,363k (2019: £2,233k) (including designated funds).

The Trustees consider that current reserves provide a suitable level of 'available' reserves given the uncertainties mentioned and the wider responsibilities and ambitions of the Multi-Academy Trust and are therefore at a reasonable level.

Investment policy

The Trust manages its cash balances to provide for the day to day working and capital requirements of its Academies. The Trustees have the power to invest surplus funds as they see fit and, the Trust currently has a short term (32 days) notice deposit account with Lloyds Bank. The Trustees have the power to delegate the management of investments to a financial expert subject to the terms of investment set out in Article 5(n) of the Articles.

Principal risks and uncertainties

The Covid-19 Pandemic presented the most significant risk to the Trust during the academic year 2019 – 2020 and the effects of the pandemic will present continued risk during the year 2020 – 2021 and beyond as the entire world adjusts, responds and recovers from the effect of the global pandemic.

Covid-19 impacted on all the Trust Education and Business functions with the Central Services and Trust schools needing to mitigate the risks presented by the pandemic:

Communication

National lockdown and school closures presented significant risk to the Trust communications with staff, students and key stakeholders all working remotely, this at a time when effective communication was needed more than ever. Keeping clear communication channels open was essential to be able to respond to the changing requirements and guidelines for schools and ensuring a coordinated Trust approach.

Microsoft Teams application was deployed to all staff to support remote working. In the early stages of the pandemic daily Covid-19 response meetings were scheduled for the central services team and for Trust Headteachers and as the effect of the pandemic on the Trust stabilised, these meetings were moved to weekly. These response meetings have enabled effective communication across Trust schools to ensure operations have been maintained and support provided where needed. The Trust approach to Covid-19 has been communicated through digital channels using the DET Dispatch, blogs and vlogs. Trust schools have demonstrated excellent communications with students' parents and stakeholders in sharing updates, risk assessments and procedures in maintaining operations in the Covid-19 environment.

Education

With a government directive for schools to close to all students and staff with the exception of students identified as looked after, with an Education Health and Care Plan or the child of a key worker, the whole educational environment changed. The Trust ensured that learning continued at home via the use of technology. Staff and students adapted exceptionally well to this major change to education delivering lessons and resources remotely using platform such as Microsoft Teams and Google for Education to ensure that teaching and learning for all could continue despite the closures of schools.

Public examinations in years 11 and 13 were cancelled as a result of the school closures. This led to schools providing Centre Assessed Grades (CAG) as the mechanism to assess students' educational outcomes at the end of Key Stage 4 and Key Stage 5. A coordinated approach across the Trust schools ensured a fair and accurate CAG were submitted to the exam boards in line with the published requirements. The cancellation of exams was heart-breaking for both students and staff but, the CAG process, whilst not a true replacement for exams allowed educational performance and hard work to be recognised and rewarded ensuring that students could continue on their educational journey.

The wide-reaching impact of the pandemic will undoubtedly impact disadvantaged students across the Trust schools. There is a risk that the gap in educational outcomes and attainment of disadvantaged students will widen due to school closures, access to technology and parental support for remote learning and non-attendance to school due to self-isolation requirements. To mitigate this risk the Trust will ensure that the DfE Get Technology for Schools scheme is utilised to ensure that disadvantaged students have access to a device and an internet connection at home to access remote learning. We will also ensure a targeted approach to the use of the Covid-19 Catch Up Premium to deliver interventions such as the National Tutoring Programme.

Finance

All the Trust schools have had increased costs due to staff absence, additional cleaning, additional resources to ensure schools could open in line with guidance, continuing costs of key contracts such as the catering provision under the government public procurement notice despite no associated income being received, and the cost of school buses amongst others.

Locally generated income has also been impacted due to the pandemic. With the guidance for schools to close, income generated by the hiring of school facilities, providing CDP opportunities and through the catering provision all ceased. These are all key revenue streams for the Trust schools and with no opportunity available to replace the income generated.

To mitigate the financial risk presented to schools the government provided a funding stream to support the exceptional costs associated with Covid-19. The funding had strict eligibility criteria, before additional funding would be awarded schools needed to cover any additional costs from their existing budgets and the funding would only be payable should additional costs result in an in-year deficit position. No Trust schools were eligible for the funding. To further mitigate the risk central services and school staff ensured close budget monitoring was maintained along with identifying non-essential expenditure that could be clawed back. Savings in existing budgets areas such as energy costs were also identified to help offset additional expenditure resulting for Covid-19.

Governance

Throughout the Covid-19 pandemic it was essential to ensure that effective governance remained in place at all levels across the Trust including at a Trust Board and School Board level. Ensuring that the Trust remained compliant with the levels of authority set out in the scheme of delegation was an important factor in making decisions on school closures, opening in line with guidance and ensuring required risk assessments and process were in place.

To mitigate the risk of ineffective governance all Trust Board and School Board meetings continued as planned albeit held remotely. The scheme of delegation was updated to reflect the requirements and authorisations needed in response to the Covid-19 measures. Regular communications between Trust Board, School Board and Trust/School Leadership were maintained.

Health and Safety

The pandemic presented the Trust with significant health and safety risk, especially when schools were fully opened to staff and students in September 2020. Schools needed to provide a safe environment for all users to help prevent the spread of Covid -19 and protect critically extremely vulnerable staff and students whilst at the same time continuing to deliver education. This presented significant logistical and operational challenges to which the Trust schools responded exceptionally well.

In mitigating the risk schools ensured that they were following the published guidance from Government, Public Health England, Health and Safety Executive and Hertfordshire County Council. Thorough risk assessments were put into place to evidence how guidance would be implemented in the schools to address areas such as year group bubbles, social distancing, test and trace, enhanced cleaning and curriculum requirements for subjects such as physical education and music. The differing nature of Trust school's curriculum, student population and buildings required risk assessments to meet specific need rather than a one size fits all model.

Facilities/Premises teams within schools ensured that schools were well prepared to fully re-open to all students and staff following the national lockdown by ensuring statutory inspection and maintenance continued and ensuring systems were put into place to support the Covid-19 risk assessments.

Human Resources

With circa 500 Trust employees the Covid-19 pandemic presented numerous challenges in ensuring that all staff were supported during these difficult times and were able to work both from school and home to support the operations of the Trust. There was a need to protect Clinically Extremely Vulnerable (CEV) and vulnerable staff in line with the published guidance, supporting schools with absences due to shielding requirements or self-isolation, supporting staff with lost income, supporting home working alongside ensuring the mental wellbeing of staff during the pandemic.

In mitigating the risk HR ensured that the published guidance for supporting school employees was reflected in school risk assessments and procedures and supporting CEV staff through individual risk assessments to help support the return to schools. Staff were provided with training, risk assessment and resources to support home working and a series of wellbeing seminars were made available to all staff alongside promoting ways of continuing the essential interactions and communications that staff benefit from whilst working within the school environment. Where staff were affected by loss of income as a result of the lockdown measures, income replacement initiatives such as the furlough scheme were introduced where possible.

Information Technology

National lockdown requirements resulted in schools having to close to the majority of school students and staff. The risk to the continued operations of the Trust was significant with teaching and all business function work to be completed remotely. The working practice of circa 5000 students and 500 staff changed overnight. IT has a crucial role in responding to the Covid-19 measures to ensure continued operations and IT support across a student and staff workforce that is now more reliant on IT infrastructure, hardware and software than ever before.

In mitigating the risk IT support staff ensured that platforms to support remote learning and working were available across the Trust including Microsoft Teams and Google for Education. If students or staff did not have access to a computer at home school devices were provided. For disadvantaged and vulnerable students, applications were submitted to the Department for Education get help with technology scheme to provide a device and internet access. Training was provided for staff and students to support the use of IT in remote working. Where specific staff had a need to access the school IT network from home e.g. to complete payroll or access students and staff records a Virtual Private Network (VPN) connection was provided.

Safeguarding

School closures during the national lockdown presented a significant safe guarding risk to our most vulnerable students, the pastoral support available to them on a daily basis alongside the safe haven of the school environment was removed overnight.

To mitigate safe guarding risks, students identified as looked after or supported by an Education Health and Care Plan (EHCP) were able to continue attending school during the national lockdown. Pastoral support staff ensured that regular contact was maintained and free school meals were continually provided during the lock down period and school holidays via school caterers or a supermarket voucher scheme to ensure a daily meal was provided. Trust and school policies including Safeguarding, I.T and Teaching and Learning were all updated to reflect additional safeguarding requirements resulting from Covid-19.

Growth Strategy

The growth strategy of the Trust was impacted as a direct result of the Covid 19 pandemic. Trust Board and Department for Education approval had been secured to transfer De Havilland Primary School and Elstree Screen Arts Academy into the Trust, however the national Covid-19 restrictions prevented the planned transfers finalising during the year. The transfer of De Havilland was delayed due to the Transfer of Undertakings Protection of Employment (TUPE) not being completed and the transfer of Elstree Screen Arts Academy was delayed due to the DfE not securing the investment into the capital projects at the school which is a condition of the school joining the Trust.

To mitigate the delayed transfers service level agreements were introduced at each school to ensure that the schools were supported in the areas of school improvement and business functions where needed. Work continued with both the DfE and HCC to ensure that De Havilland could transfer as soon as possible with the transfer completing on 1st October 2020 and work continued with the DfE to secure the capital funding for Elstree Screen Arts Academy.

Non Covid-19 Risks

Despite the additional risk and uncertainties presented by the Covid-19 pandemic the Trust ensured a continued response to the non-covid-19 risks and uncertainties that it faced in its normal operations. A summary of these risks follows.

The main strategic risk for the Trust is 'Growth' and taking on of additional schools within the Trust. During the year work was being completed to transfer two further schools; De Havilland Primary School and Elstree Screen Arts Academy. The transfer of De Havilland Primary School reflects the Trust primary strategy and the vision of providing all through education. A robust due diligence process has been set in place to assess the risks of the transfers to the Trust, with key risks associated with each school being considered by Trustees. On the completion of each school transfer the risks highlighted during the due diligence process will be maintained on the risk register of the Trust or the individual schools with work completed to eliminate or mitigate the risk.

The main financial risk to the Trust is the need to continue to resource the Central Services Team to carry out the functions of due diligence and school transfers before receiving any income from joiner schools. This is being mitigated by attempting to access funds discussed with the Regional Schools Commissioner but is a known risk facing multi-academy trusts at this early stage of development. The Trust has been successful in applying for the Trust Capacity Fund (TCaF) which has been set up by the Department of Education (DfE) to provide additional funding to support the growth and development of academy trusts. We have been awarded £70,000 grant under this funding to help mitigate the cost of Trust growth and school improvement support. In addition, we will continue to utilise the DfE transfer grant for any schools transferring to the Trust.

Further financial risk facing the Trust during the year was the financial performance of 2 Trust schools, St Clement Danes and Onslow St Audrey's, facing significant in year financial overspends. Whilst the overspends can be met by the reserve position of each school the position is concerning and highlights a need for greater financial awareness from the leadership of each school. To mitigate this position balanced budgets have been set for year 2020 - 2021 and regular review meetings between central services and Headteachers will be held. Should the budget position not be maintained and further in year deficit positions be forecast then additional measures will be introduced.

The main information technology risks include increasingly frequent attacks from viruses, ransomware or malware. A number of mitigating procedures and policies are in place including ensuring regular checking of anti-viral solutions on workstations, liaison with the Local Authority to ensure adequate firewall configuration and ensuring that regular backups are maintained.

Fundraising

St Clement Danes Anchor Fund

The Anchor Fund was established in October 2000. It is registered with the Charity Commission and is designed to support the best learning experience for students at St Clement Danes School. The Anchor Fund, unlike other school funds that 'expect' donations, is entirely voluntary. This gives parents the opportunity to contribute directly to the education of their children. The school limits communications and if parents would like to donate then they have to 'opt' in via Virgin money giving, ParentPay or sign a donation form. Each donor's information is kept confidential and in accordance with the Charity Commission regulations. The Trustees of the Anchor Fund meet three times a year to review procedures and confirm the distribution of funds back to St Clement Danes School. The following policies are reviewed annually in accordance with the Charity Commission requirements: Anti-Fraud and Corruption Policy, Risk Management Policy, Investment Policy, Anchor Fund Complaints Procedure Policy. The Trustees have confirmed that no complaints regarding fundraising were received during the year.

Croxley Danes, Chancellor's and Onslow

Croxley Danes School (Croxley Danes Maypole Fund), Chancellor's and Onslow St Audrey will be looking to establish charity fundraising fund during 2020-21 that will follow the same principles as St Clement Danes Anchor Fund.

Streamlined energy and carbon reporting

The Trust did not meet the criteria for a large company over the last two consecutive years and will therefore not be reporting on this area. It is likely, that in the next accounting period, we will be classified as a large company and will report accordingly.

Plans for future periods

The Trust strategic plan is a 3-year plan covering the period 2019 – 2022. Future plans will be directed towards ensuring that we are working towards the following strategic priorities:

1. Development of our learners through ensuring quality and equality of provision across all schools
2. Development of successful, active and independent learners through quality first education
3. Development of a Trust well-being strategy for our learners
4. Development of a Trust well-being strategy for our staff
5. Ensure the Trust wide School Improvement strategy continues to be highly effective and bespoke to all school needs
6. Development of a sustainable Growth Strategy for the Trust
7. Further develop effective Governance
8. Become an employer of choice
9. Develop a Trust Estates strategy
10. Develop Trust wide IT systems so that they are fit for purpose as the Trust grows
11. Further develop effective communication within and beyond our Trust

Growth of the Trust will remain a strategic priority. With De Havilland Primary School joining the Trust on the 1st October our vision of providing all through education has been realised and we will continue to further our Primary strategy during future periods. With approvals in place to complete the transfer of Elstree Screen Arts Academy into the Trust we will work with the Department for Education to secure the funding needed to complete the capital improvements required at the school. Confirmation of this funding remains a Trust condition on completing the transfer of the school.

In addition to working towards our strategic priorities we will also continue to respond to the current Covid-19 pandemic and ensure the continuation of excellent education for all Trust learners under Covid-19 measures. In particular that will focus on the implementation of the Trust Google for Education strategy to ensure effective remote teaching and learning and ensuring that the Covid -19 Catch-up Premium Plan across the Trust is successfully implemented to ensure that all learners, especially those from the most vulnerable and disadvantaged backgrounds are able to catch up on lost education time resulting from school closures and disruption caused by the pandemic

COVID-19 catch-up premium plans

The Trust catch-up strategy dovetails with each of its schools' individual priorities, as seen within their Strategic Plans. It takes a holistic approach which includes key year groups and a broad range of Core subjects. Our leaders, stakeholders and learners are fully committed to ensuring that partial school closures have a minimal effect on learning, aspiration and well-being. Working together with our schools, we will make sure that every young person, no matter their age or where they live, receives the education, opportunities and outcomes they deserve, by investing our time and funding on measures proven to be effective, particularly for those who are most disadvantaged. This strategy should also be considered alongside the Trust 'Support Plans' and IT Strategy for 2020 – 21 which include a very clear focus upon the effective implementation of GoogleEd to support high quality blended and remote learning, as circumstances dictate.

Auditor

Insofar as the trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware.

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.

Trustees are aware it is essential to have good financial practice, they actively review and challenge longer term financial issues.

Trustees are aware of the importance of Reserves, any deviation in the Trust's Reserves Policy will be minuted at Full Board level.

Trustees need to understand the numbers, they need to ask questions and appropriately challenge financial related information and management accounts

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, on 17th December 2020 and signed on the Board's behalf by:



Mrs K Unger
Chair of Trustees

Governance Statement

Scope of responsibility

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

The Board of Trustees have delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The CEO is 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. As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Trustees met formally on 16 occasions during 2019-20

Full Board – 5 meetings

Business Committee – 4 meetings

Audit Committee – 3 meetings

Education Committee – 4 meetings

Although there have been changes to individuals on the Board, there is a full complement of experienced individuals who are committed to working with the Trust.

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

Trustee	Appointment	Attendance at meetings	Out of possible total
Mrs J Bristow (Chair – resigned 18 March)	Appointed 18 July 2019	3	4
Mrs K Unger (Chair – appointed 30 March)	Appointed 13 October 2016	5	5
Dr J A Valentine OBE (CEO & Accounting Officer)	Appointed 1 September 1998	4	5
Mr N Blythe	Appointed 18 June 2018	5	5
Mr T Coulson	Appointed 28 November 2019	3	3
Mr D Franklin	Resigned 9 December 2019	0	2
Mrs C Garner	Appointed 1 April 2019	4	5
Mrs R Gauke	Appointed 29 June 2017	4	5
Dr M Green	Appointed 9 December 2014	5	5
Dr E Kelly – resigned 4 December 2020	Appointed 30 March 2020	1	1

The **Business Committee** is a sub-committee of the Board.

The committee's work focuses on providing assurances to the Board of Trustees that all Business Functions (Finance, Budgets, Resources, HR, IT and Premises) at the Trust are reviewed in detail.

Attendance at Business Committee meetings in the year was as follows:

Business Members	Appointment	Attendance at meetings	Out of possible total
Mr N Blythe (Chair)	Appointed 18 June 2018	3	4
Dr J A Valentine OBE (CEO) in attendance	Appointed 1 September 1998	4	4
Mrs C Garner	Appointed 1 April 2019	4	4
Mrs K Unger	Appointed 13 October 2016	4	4

The **Audit Committee** is a sub-committee of the Board.

The committee's work focuses on providing assurances to the Board of Trustees that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control; and
- agreeing a programme of work to address, and provide assurance on, those risks.

Attendance at Audit Committee meetings in the year was as follows:

Audit Members	Appointment in year	Attendance meetings	Out of possible total
Dr M Green (Chair)	Appointed 9 December 2014	3	3
Dr J Valentine OBE (CEO) in attendance	Appointed 1 September 1998	3	3
Mr S Clarke	Appointed 9 March 2020	2	2
Mrs C Garner	Appointed 1 April 2019	3	3
Ms K Hardwidge	Appointed March 2019	3	3

The **Education Committee** is a sub-committee of the Board.

The committee's work focuses on providing assurances to the Board of Trustees that Educational requirements are covered at all of the Trust Schools, this includes: Improvement Strategies, Safeguarding, Appeals, School Reviews, KPI's and Results

Attendance at Education Committee meetings in the year was as follows:

Education Members	Appointment in year	Attendance meetings	Out of possible total
Mr T Coulson (Chair)	Appointed 28 November 2019	4	4
Dr J A Valentine OBE (CEO) in attendance	Appointed 1 September 1998	4	4
Mr G Butler	In attendance from September	3	4
Mrs R Gauke	Appointed 29 June 2017	4	4
Dr E Kelly – resigned 4 December 2020	Appointed 30 March 2020	2	2

Governance/Trustee review

The National Governance Association (NGA) have been commissioned to carry out a complete external review of governance in 2019/20, however due to COVID-19 this has been delayed and is currently underway, with the Trust Board report due shortly.

A set of KPIs were developed in 2019/20 for the School Boards and these will form part of the reporting to Trust Board alongside the business KPIs.

Review of value for money

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

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

- extending the levels of School Support offered to local schools either directly, or via the Herts & Bucks Teaching School Alliance, involving specialist leaders in education and senior leadership team members, thereby maintaining and retaining these levels of experience and expertise within the school;
- attracting further funding from the DfE and other outside organisations to support educational and CPD initiatives in maths and the sciences;
- running and participating in extensive Continuing Professional Development (CPD) training programmes run by the Herts & Bucks Teaching School Alliance;
- securing significant capital funding for the improvement and expansion of facilities within its academies;
- introducing new quality assurance measures for teaching, improving the quality and effectiveness of teaching throughout the Trust;
- ensuring that methods of working and staffing levels are constantly reviewed and adjusted for efficiency and effectiveness.
- during 2019-20 additional strain has been put on the Trust's budgets to cover the cost of COVID-19 – whilst Best Value and Value for Money is the Trust's priority, during the Pandemic all schools have had to purchase, Perspex screens, large amounts of hand sanitiser, additional cleaning products and PPE equipment.
- the Trust adhered to the Government's Procurement Policy Note 02/20 and 04/20 ensuring that their suppliers were paid on time to ensure service continuity during the COVID-19 outbreak

The following value for money and best value procurement exercises have taken place during 2019-20

- Chancellors School Expansion £3.85 million funding to expand the school – competitive tender completed for the construction contract.
- Onslow St Audrey School Expansion £3.38 million funding to expand the school – competitive tender completed for the appointment of consultants to deliver the project.
- Competitive tender of the cleaning contract across St Clement Danes and Croxley Danes School

Income generation through Conditions Improvement Fund to invest in capital projects:

- St Clement Danes - £832,055 – Roofing replacement
- Onslow St Audrey's - £605,407 – Roofing replacement
- Chancellor's School - £247,414 – Fire Safety

Competitive tender completed for the construction of the all-weather pitch.

- £492,948 Grant funding secured with the Football Foundation for the all-weather Pitch at St Clement Danes School. Additional contributions to be received from Holborn Estate Charity, St Clement Danes Anchor Fund and Chorleywood Common Youth Football Club prior commencement of project.

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 ongoing processes designed to identify and prioritise the risks to the achievement of the Trust's 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 is reviewed annually, the firm and scope of work for the year ending 31 August 2020 is agreed by the Trust's Audit Committee based on their assessment of risks within the Trust. In line with the Financial Reporting Council (FRC) the Internal Audit function will be carried out by an independent Audit Firm from our External Audit provider.

The Audit Committee appointed Cooper Parry for the Trust's Internal Audit function covering Academic Year 2019-20
Areas reviewed by Cooper Parry were;

- Academies Financial Handbook Compliance – Assurance – High
- Budget and Forecasting – Assurance – High

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

The risk review process for individual Trust schools includes consideration of risks at faculty level with the communication of those considerations through to the senior leadership teams and then through to Central Services. The detailed risk register is maintained by a dedicated member of staff who manages the process of termly review by the schools and the Trust Executive.

The detailed risk register DET central services is maintained by a dedicated member of staff who manages the process of termly review by the CEO and Central Services team. This process is regularly reviewed by the Audit committee of the Board of Trustees.

The risk and control framework

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

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

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- Internal audit work carried out by Cooper Parry;
- External audit work carried out by Buzzacott LLP;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool and;
- the work of the chief financial officer who has the responsibility for the maintenance of internal control

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a process to ensure continuous improvement of the system is in place.

Approved by order of the Trustees on 17th December 2020 and signed on their behalf by:



Mrs K Unger
(Chair of Trustees)



Dr J A Valentine OBE
(Accounting Officer)

Statement on regularity, propriety & compliance

Statement from accounting officer

As Accounting Officer of Danes Educational Trust, I have considered my responsibility to notify the Board Members and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust Board are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no other 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.



Dr J A Valentine OBE
Accounting Officer
Date: 17th December 2020

Statement of Trustees' Responsibilities

The Trustees (who act as Trustees for charitable activities for Danes Educational Trust and 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 Annual Accounts Requirements issued by the Education 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 2019 to 2020;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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 the 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 17th December 2020 and signed on its behalf by:



Mrs K Unger
Chair of Trustees

Independent Auditor's Report

Independent auditor's report on the financial statements to the Members of Danes Educational Trust

Opinion

We have audited the financial statements of Danes Educational Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the group and Trust balance sheets, the consolidated statements of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Trust's affairs as at 31 August 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the Trustees and strategic report and the governance statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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 group's and 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

18 December 2020

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Regularity Report

Independent reporting accountant's assurance report on regularity to Danes Educational Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Trust during the period from 1 September 2019 to 31 August 2020 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 Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Trust and the 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 Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Danes Educational Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of the Trust's funding agreement with the Secretary of State for Education dated 28 June 2016 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 period from 1 September 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by the 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 to 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 control 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 financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them, other than the matter raised in the Governance Statement on page 25.

Buzzacott LLP

18 December 2020

Reporting Accountants
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities

Including income and expenditure account. Year to 31 August 2020

	Notes	Un-restricted general fund £'000	Restricted funds		2020 Total funds £'000	2019 Total funds £'000
			General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	352	—	3,342	3,694	857
Transfer on conversion	20	293	(1,638)	6,854	5,509	23,806
Charitable activities						
· Funding for the Trust's educational operations	4	1,288	22,581	—	23,869	11,904
· Teaching schools	23	67	40	—	107	160
Other trading income	2	581	457	—	1,038	802
Investments	3	7	—	—	7	7
Total income		2,588	21,440	10,196	34,224	37,536
Expenditure on:						
Raising funds	5	215	—	—	215	899
Charitable activities						
· Trust's educational operations	5	2,675	22,669	1,305	26,649	12,963
· Teaching schools	5,23	67	40	—	107	160
Total expenditure		2,957	22,709	1,305	26,971	14,022
Net income (expenditure) for the year		(369)	(1,269)	8,891	7,253	23,514
Transfers between funds	16	352	(948)	596	—	—
Other recognised gains and losses:						
Actuarial (losses) gains on defined benefit pension scheme	22	—	189	—	189	(471)
Net movement in funds		(17)	(2,028)	9,487	7,442	23,043
Reconciliation of funds						
Total fund balances brought forward at 1 September		1,105	(673)	44,848	45,280	22,237
Total fund balances carried forward at 31 August		1,088	(2,701)	54,335	52,722	45,280

All of the group's activities derived from continuing operations during the above two financial periods. All gains and losses are included in the Statement of Financial Activities

Consolidated and Trust balance sheets

	Notes	Consolidated 2020 £'000	Trust 2020 £'000	Consolidated 2019 £'000	Trust 2019 £'000
Fixed assets					
Tangible fixed assets	9	52,286	52,286	44,270	44,270
Investments	11	—	—	—	—
		52,286	52,286	44,270	44,270
Current assets					
Debtors	12	2,048	2,043	1,780	1,879
Cash at bank and in hand		4,356	4,350	2,920	2,814
		6,404	6,393	4,700	4,693
Liabilities					
Creditors: amounts falling due within one year	13	(1,851)	(1,840)	(1,818)	(1,811)
Net current assets		4,553	4,553	2,882	2,882
Total assets less current liabilities		56,839	56,839	47,152	47,152
Creditors: amounts falling due after more than one year	14	(74)	(74)	(4)	(4)
Provisions for liabilities	15	(67)	(67)	(67)	(67)
Net assets excluding pension scheme liability		56,698	56,698	47,081	47,081
Defined benefit pension scheme liability	22	(3,976)	(3,976)	(1,801)	(1,801)
Total net assets		52,722	52,722	45,280	45,280
Restricted funds					
Fixed assets fund	16	54,335	54,335	44,848	44,848
General fund	16	1,275	1,275	1,128	1,128
Pension reserve	16	(3,976)	(3,976)	(1,801)	(1,801)
Total restricted funds		51,634	51,634	44,175	44,175
Unrestricted funds					
General fund	16	588	588	643	643
Designated funds	16	500	500	462	462
Total funds		52,722	52,722	45,280	45,280

The financial statements on page 36 to 64 were approved by the Trustees, and authorised for issue on 17th December 2020 and are signed on their behalf by:

K M Unger

Mrs K Unger
Chair of Trustees
Danes Educational Trust
Company Limited by Guarantee
Registration Number: 07671949 (England and Wales)

Consolidated statement of cash flows

	Note	2020 £'000	2019 £'000
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	(178)	991
Cash flows from investing activities	B	701	(724)
Cash flows from financing activities	C	(20)	(1)
Cash flows from conversions		933	—
Change in cash and cash equivalents in the year		1,436	266
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		2,920	2,654
Cash and cash equivalents at 31 August 2020	D	4,356	2,920

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

	2020 £'000	2019 £'000
Net income (expenditure) for the year (as per the statement of financial activities)	7,253	23,514
Adjusted for:		
Depreciation (note 19)	1,254	810
Transfer in of land and buildings on conversion (note 20)	(6,854)	(23,464)
Transfer in of pension liability on conversion (note 20)	1,638	517
Capital grants from DfE and other capital income	(3,342)	(610)
Non-capital Devolved Formula Capital spend	51	—
(Gain)/loss on disposal of fixed assets	(1)	—
Interest receivable (note 3)	(7)	(7)
Defined benefit pension scheme cost less contributions payable (note 22)	(42)	177
Defined benefit pension scheme finance cost (note 22)	67	21
Increase in debtors	(268)	(898)
Increase (decrease) in creditors	73	931
Net cash (used in) provided by operating activities	(178)	991

B. Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments (note 3)	7	7
Purchase of tangible fixed assets (note 19)	(2,648)	(1,341)
Capital grants (note 1)	3,342	610
Net cash used in investing activities	701	(724)

C. Cash flows from financing activities

	2020 £'000	2019 £'000
Repayments of borrowing	(20)	(1)
Net cash used in financing activities	(20)	(1)

D. Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	4,356	2,920
Total cash and cash equivalents	4,356	2,920

E. Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	Acquisition / disposal of subsidiaries £'000	New finance leases £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash	2,920	1,436	—	—	—	4,356
Cash equivalents	—	—	—	—	—	—
Overdraft facility repayable on demand	—	—	—	—	—	—
	2,920	1,436	—	—	—	4,356
Loans falling due within one year	(1)	—	(19)	—	—	(20)
Loans falling due after more than one year	(4)	—	(70)	—	—	(74)
Finance lease obligations	—	—	—	—	—	—
Total	2,915	1,436	(89)	—	—	4,262

Principal accounting policies

Statement of 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 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

Basis of consolidation

The Consolidated Statement of Financial Activities and Group Balance Sheet consolidate the financial statements of the Trust and its subsidiary companies made up at the balance sheet date.

No separate Statement of Financial Activities has been presented for the Trust alone, as permitted by Section 408 of the Companies Act 2006 and SORP 2015.

Going concern

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

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 its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Income (continued)

Grants (continued)

The Trust is benefiting from the ESFA's Free School Building Programme for the construction of Croxley Danes School. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Trust controls (through ownership, lease or licence) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

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 Trust has provided the goods or services.

Transfer from Local Authority on conversion

Where assets and liabilities are received on conversion of a school and transferred from the Local Authority to the Trust, the transferred assets and liabilities are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership passes to the Trust, which is on signing of the transfer agreement with the Local Authority.

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 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is stated net of recoverable 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.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets (continued)

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

♦ Land is not depreciated	
♦ Buildings	Up to 27.65 years
♦ New buildings	50 years
♦ Plant and machinery	4 - 10 years
♦ Fixtures, fittings and equipment	4 years
♦ Computer Equipment & Software	3 – 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are first brought into use.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. 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 Trust's wholly owned subsidiaries are held at face value less any impairment.

Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions benefits

Retirement benefits to employees of the 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 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Fund accounting (continued)

Designated funds represent those resources which have been set aside at the discretion of the Board of Trustees for specific purposes. The purposes and uses of these funds are set out in the notes to the financial statements.

Restricted general funds comprise all restricted funds and grants received from the Education and Skills Funding Agency, the Department for Education or Local Authorities with restrictions imposed.

Restricted other funds comprise all other restricted funds received with restrictions imposed by the funder/donor.

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

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.

Critical accounting estimates and assumptions

The 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 note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

As detailed in note 15, the Trust has provided for potential outstanding teachers' pension contributions spanning a number of years from prior to conversion of St Clement Danes School to academy status. The Trust is establishing whether there is an obligation to pay these contributions and, if so, whether the Trust itself is liable. Until the matter is resolved, the Trust has provided for the value of the contributions due.

Notes to the Financial Statements

1 Donations and capital grants

	Un-restricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants					
. ESFA	—	—	3,342	3,342	610
Other donations	352	—	—	352	247
2020 Total funds	352	—	3,342	3,694	857

	Un-restricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000
Capital grants				
. ESFA	—	—	610	610
Other donations	247	—	—	247
2019 Total funds	247	—	610	857

2 Other trading income

	Un-restricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	89	—	89	69
Music & LAMDA income	147	—	147	110
Training income	—	418	418	127
STSS Income	—	39	39	44
Coach income	41	—	41	215
Central Services work outside the Trust	57	—	57	—
Other income	247	—	247	237
2020 Total funds	581	457	1,038	802

	Un-restricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Hire of facilities	69	—	69
Music income	110	—	110
Training income	—	171	171
Coach income	—	215	215
Other income	237	—	237
2019 Total funds	416	386	802

3 Investment Income

	Un-restricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Interest receivable	7	—	7	7
	7	—	7	7

	Un-restricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Interest receivable	7	—	7
	7	—	7

4 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA revenue grants				
. General Annual Grant (GAG) (2020 – 4 secondary schools for full year)	—	19,733	19,733	8,930
. Start-up grants	—	153	153	327
. Other DfE / ESFA grants	—	2,107	2,107	1,258
	—	21,993	21,993	10,515
Other government grants				
. Local authority grants	—	550	550	195
. Other grants / Special educational projects	—	—	—	22
	—	550	550	217
Other income from the academy trust's operational activities (catering and trip income)				
	1,288	—	1,288	1,172
	1,288	—	1,288	1,172
Exceptional government funding				
Coronavirus job retention scheme grant	—	28	28	—
Coronavirus exceptional support	—	10	10	—
Other coronavirus funding	—	—	—	—
	1,288	38	38	—
Total funds	1,288	22,581	23,869	11,904

4 Funding for the Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £10,140 of reimbursement of Free School Meals voucher costs. These costs are included in note 4 above as appropriate.
- The academy furloughed some of its Peripatetic Music and Drama staff under the government's CJRS. The funding received of £27,616 relates to staff costs in respect of 11 staff which are included within note 4 above as appropriate.

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>DfE / ESFA revenue grants</i>			
• General Annual Grant (GAG)	—	8,930	8,930
• Start-up grants	—	327	327
• Other DfE / ESFA grants	—	1,258	1,258
	—	10,515	10,515
<i>Other government grants</i>			
• Local authority grants	—	195	195
• Other grants / Special educational projects	—	22	22
	—	217	217
<i>Other income from the academy trust's operational activities (catering and trip income)</i>	1,172	—	1,172
Total funds	1,172	10,732	11,904

5 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	2020 Total funds £'000	2019 Total funds £'000
<i>Expenditure on raising funds</i>					
• Direct costs	143	—	15	158	609
• Support costs	29	12	16	57	290
<i>Trust's educational expenditure operations</i>					
• Direct costs	15,848	1,254	2,373	19,475	9,663
• Allocated support costs	3,530	1,523	2,121	7,174	3,300
Teaching School	70	—	37	107	160
Total funds	19,620	2,789	4,562	26,971	14,022

5 Expenditure (continued)

	<i>Non pay expenditure</i>			2019
	<i>Staff costs</i> £'000	<i>Premises</i> £'000	<i>Other costs</i> £'000	<i>Total funds</i> £'000
<i>Expenditure on raising funds</i>				
. Direct costs	—	—	609	609
. Support costs	98	59	133	290
<i>Trust's educational expenditure operations</i>				
. Direct costs	7,112	810	1,741	9,663
. Allocated support costs	1,453	853	994	3,300
<i>Teaching School</i>	67	—	93	160
Total funds	8,730	1,722	3,570	14,022

	2020 £'000	2019 £'000
Net income (expenditure) for the year includes:		
Operating lease rentals	91	29
(Gain)/loss on disposal of fixed assets	(1)	—
Depreciation	1,252	810
Fees payable to auditor for:		
. Statutory audit work	15	18
. Other services (<i>accountancy and internal audit</i>)	21	6

6 Charitable activities – Trust's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	19,475	9,663
Support costs	7,174	3,300
	26,649	12,963

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	3,530	1,453
Technology costs	260	131
Premises costs	1,523	853
Legal costs – conversion	26	65
Legal costs – other	12	3
Catering costs – see Note 4 for 2020	—	590
Other support costs (<i>ie: consultancy, rent, coaches</i>)	1,767	169
Governance (<i>legal, professional, audit</i>)	56	36
Total support costs	7,714	3,300

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 as set out in the consolidated statement of financial activities (on page 37) between restricted and unrestricted funds:

	Un-restricted general fund £'000	Restricted funds		2019 Total funds £'000
		General £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	247	—	610	857
Transfer from local authority on conversion	—	(21)	23,827	23,806
Charitable activities				
· Funding for the Trust's educational operations	1,172	10,732	—	11,904
· Teaching schools	120	40	—	160
Other trading income	416	386	—	802
Investments	7	—	—	7
Total income	1,962	11,137	24,437	37,536
Expenditure on:				
Raising funds	899	—	—	899
Charitable activities				
· Trust's educational operations	724	11,406	833	12,963
· Teaching schools	120	40	—	160
Total expenditure	1,743	11,446	833	14,022
Net income (expenditure) for the year	219	(309)	23,604	23,514
Transfers between funds	(85)	(404)	489	—
Other recognised gains and losses:				
Actuarial (losses) gains on defined benefit pension scheme	—	(471)	—	(471)
Net movement in funds	134	(1,184)	24,093	23,043
Reconciliation of funds				
Total fund balances brought forward at 1 September	971	511	20,755	22,237
Total fund balances carried forward at 31 August	1,105	(673)	44,848	45,280

8 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	14,515	6,431
Social security costs	1,444	666
Pension costs	3,326	1,479
Apprenticeship levy	56	—
	19,341	8,576
Supply staff costs	279	151
Staff restructuring costs	—	3
	19,620	8,730

Staff restructuring costs comprise:

	2020 £'000	2019 £'000
Ex gratia payments	—	3
	—	3

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £3,000).

(b) Staff numbers

The average numbers of persons (including senior management teams at each school) employed by the Trust during the year was as follows:

Charitable activities	2020 FTE	2019 FTE	2020 Actual	2019 Actual
Teachers	222	104	273	125
Administration and support (2020 = 112.74)	113	54	156	76
Management (2020 = 28.30)	28	11	31	11
	363	169	460	212

(c) Higher paid staff

The number of employees whose emoluments excluding employer's pension contributions exceeded £60,000 was:

	2020 No.	2019 No.
£60,001 - £70,000	13	5
£70,001 - £80,000	1	—
£80,001 - £90,000	2	2
£90,001 - £100,001	1	—
£100,001 - £110,000	1	—
£130,001 - £140,000	1	1

8 Staff (continued)

(d) Key management personnel

The key management personnel of the Trust comprise the Trustees and the central services team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Trust was £2,608,694 (2019: £904,030).

Trustees' remuneration and expenses

One Trustee has been remunerated or has received other benefits from an employment with the Trust.

The employee only receives remuneration in respect of services they provide undertaking their role under their contracts of employment and not in respect of their roles as Trustee. The value of remuneration and other benefits was as follows:

	2020 £	2019 £
J A Valentine CEO and Trustee		
• Remuneration	135k – 140k	135k – 140k
• Employer's pension contributions	—	—

During the year ended 31 August 2020, £9.60 of expenses was reimbursed to one Trustee (2019: £21 to one Trustees). Other related party transactions involving the Trustees are set out in note 26.

Trustees' and Officers' insurance

In accordance with normal practice the Trust has entered into the Department for Education (DfE) Risk Protection Arrangement (RPA) which protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trusts business. The RPA provides cover up to £10,000,000 on any one loss and in any one membership year. It is not possible to quantify the governors' and officers' indemnity element from the overall cost of the RPA scheme.

9 Tangible fixed assets

Group and Trust	Assets under con- struction £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Plant and machinery £'000	Computer equipment and software £'000	Total funds £'000
Cost/valuation						
At 1 September 2019	152	47,017	105	817	391	48,482
Additions	1,910	30	35	114	210	2,299
Transfers	(349)	349	—	—	—	—
Disposals	—	—	(49)	—	(84)	(133)
Transfer on conversion (note 22)	—	9,065	61	4	145	9,275
At 31 August 2020	1,713	56,461	152	935	662	59,923
Depreciation						
At 1 September 2019	—	3,720	68	329	95	4,212
Charge in year	—	1,039	25	85	105	1,254
Released on disposal	—	—	(50)	—	(84)	(134)
Transfer from Local Authority on conversion (note 22)	—	2,131	54	4	116	2,305
A 31 August 2020	—	6,890	97	418	232	7,637
Net book value						
At 31 August 2020	1,713	49,571	55	517	430	52,286
At 31 August 2019	152	43,297	37	488	296	44,270

9 Tangible fixed assets (continued)

The freehold land and buildings of Chancellor's School transferred from the Local Authority on 1 July 2019 were valued using the depreciated replacement cost method as at 28 October 2019 by Carter Jonas. The Trustees do not consider the value as at that date to be materially different from the date that the land and buildings were introduced to the Trust, being 1 July 2019.

The inherited freehold land and buildings of St Clement Danes School were valued using the depreciated replacement cost method as at 31 August 2012 by DTZ.

As permitted by Financial Reporting Standard (FRS) 102, the Trust has continued to adopt a policy of not revaluing its tangible fixed assets. With effect from 1 September 2014 the values assigned to these properties are now deemed their cost.

10 Central Services

During the Academic Year 2019-20 Central Services Education and Business function expanded to accommodate schools joining the Trust. It offers Educational Support, Finance, Budgets, Resources, Premises, HR, IT, Communications and Marketing to its academies for a fee. The fee is discussed in detail with each Academy and dependant on needs and date of joining the Trust ranges from 3% to 5% of General Annual Grant Funding.

11 Fixed asset investments

The Trust holds one share of £1 in each of its two wholly owned trading subsidiary companies: Herts & Bucks Teaching School Alliance Limited and Danes Educational Trust Trading Limited, which are incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of the two companies are summarised in note 28.

12 Debtors

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	114	79	122	59
VAT recoverable	167	162	167	170
Amount due from subsidiary undertakings	—	—	—	112
Amount due from Local Authority	—	858	—	858
Other debtors	122	108	122	108
Prepayments and accrued income	1,645	573	1,632	572
	2,048	1,780	2,043	1,879

13 Creditors: amounts due within one year

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Other loans (note 14)	20	1	20	1
Trade creditors	244	431	240	444
Taxation and social security	—	235	—	235
EFA creditor: abatement of GAG	26	—	26	—
Amount due to subsidiary	—	—	9	—
Other creditors	89	289	89	289
Accruals and deferred income	1,472	862	1,456	842
	1,851	1,818	1,840	1,811
Deferred income (included above)				
Deferred income at 1 September	392	165	392	157
Amounts released from previous years	(392)	(165)	(392)	(157)
Resources deferred in the year	436	392	423	392
Deferred income at 31 August	436	392	423	392

14 Creditors: amounts falling due in more than one year

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Loans	74	4	74	4

The Trust has a five Salix loans across its schools as noted below - A "Salix" loan is a 0% loan awarded to the Trust in combination with an Academies Capital Maintenance Award.

- St Clement Danes – one loan total value = £11,200
Repayments are to be made over a period of 8 years at £1,400 per annum.
- Onslow St Audrey – four loans total value = £147,345
Repayments are to be made over a period of 8 years at £18,418 per annum.

15 Provisions for liabilities

	2020 £'000	2019 £'000
Group and Trust		
Teachers' pension provision	67	67

The teachers' pension provision relates to potential outstanding contributions spanning a number of years from prior to conversion of St Clement Danes School to academy status.

Further work will be carried out in 2019-20 to establish whether there is an obligation to pay these contributions and, if so, whether the Trust itself is liable. Until the matter is resolved, the Trust has provided for the value of the contributions that are potentially due.

16 Funds

Group and Trust	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	1,000	19,733	(19,139)	(692)	902
Start-up grant	—	153	(153)	—	—
Pupil Premium	27	521	(504)	(2)	42
Other Dfe/ESFA grants	—	1,624	(1,295)	(260)	69
Teaching School Grants	—	40	(40)	—	—
LA government grants	—	550	(552)	6	4
Training activity	68	418	(260)	—	226
STSS funds	33	39	(40)	—	32
Other government grants	—	—	—	—	—
Pension reserve	(1,801)	—	(537)	(1,638)	(3,976)
Transfer of Onslow St Audrey's pension liability on conversion	—	(1,638)	—	1,638	—
Total restricted general funds	(673)	21,440	(22,520)	(948)	(2,701)
Transfer of Onslow St Audrey's fixed assets on conversion	—	6,970	—	(6,970)	—
Transfer of loan on conversion	—	(116)	—	116	—
Fixed Assets net book value	44,270	1,650	(1,120)	7,486	52,286
Unspent Fixed Asset Funds (net)	578	1,692	(185)	54	2,139
Fixed Asset Loans	—	—	—	(90)	(90)
Restricted fixed asset funds	44,848	10,196	(1,305)	596	54,335
Unrestricted funds					
Transfer of Onslow St Audrey's unrestricted general funds on conversion	—	293	(293)	—	—
Unrestricted general Trust funds	643	304	(902)	543	588
Herts & Bucks teaching school	—	67	(67)	—	—
DET Trading Limited	—	89	(10)	(79)	—
Designated SCD funds	337	271	(85)	(184)	339
Designated CHA funds	—	13	(35)	87	65
Designated funds – trips, catering, other	125	1,551	(1,565)	(15)	96
Total unrestricted funds	1,105	2,588	(2,957)	352	1,088
Total funds	45,280	34,224	(26,782)	—	52,722

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

Restricted general funds

This fund represents grants received from ESFA/DfE and other Government Bodies for the academies' operational activities and development.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

16 Funds (continued)

Restricted other funds

These funds represent grants received from other organisations for the academics' operational activities and development.

Restricted fixed asset funds

Restricted fixed assets funds were funded by government grants, sponsors or donations. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Unrestricted Trust funds

These funds may be used by the Trustees for the work of the Trust and its Academies

Designated funds

These funds represent reserves earmarked by the Trustees, payments or donations received which are designated for a particular purpose, i.e. ICT or AstroTurf replacement, school trips, catering

Fund balances by Academy/Trust:	Total 2020 £'000	Total 2019 £'000
St Clement Danes School	798	1,107
Croxley Danes School	210	217
Chancellor's School	859	517
Onslow St Audrey's School	153	—
Central Trust	343	392
	2,363	2,233
Restricted fixed asset fund	54,335	44,848
Pension reserve	(3,976)	(1,801)
Total funds	52,722	45,280

Gains, losses and transfers

This represents actuarial gains and losses in respect of the defined benefit pension scheme in respect of non-teaching staff. In addition, included are transfers between funds, which comprise re-allocation of income and costs between restricted funds to reflect the true nature of the transactions, and in the case of the restricted fixed asset funds, to show the allocation of the restricted income received to those projects which were capitalised in accordance with accounting standards and the stated capitalisation policy.

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Deprecia- tion) £'000	Total £'000
St Clement Danes School	5,943	1,162	654	1,361	9,120
Croxley Danes School	1,758	392	161	1,496	3,807
Chancellor's School	4,336	666	348	919	6,269
Onslow St Audrey's School	3,332	974	264	730	5,300
Central Services	200	643	18	167	1,028
Trust	15,569	3,837	1,445	4,673	25,524

Comparative information

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

Group and Trust	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	1,006	8,929	(8,739)	(196)	1,000
Start-up grant	—	327	(327)	—	—
Pupil Premium	—	157	(130)	—	27
Other grants	—	1,274	(1,066)	(208)	—
Training activity	51	148	(131)	—	68
NCTL funds	69	44	(80)	—	33
Other government grants	—	279	(279)	—	—
Pension reserve	(615)	—	(198)	(988)	(1,801)
Transfer of Chancellor's pension liability on conversion	—	(517)	—	517	—
Transfer of other restricted general funds on conversion	—	496	(496)	—	—
Total restricted general funds	511	11,137	(11,446)	(875)	(673)
Transfer of Chancellor's fixed assets on conversion	—	23,464	—	—	23,464
Transfer of government capital funding on conversion	—	362	—	—	362
Other fixed asset funds	20,755	611	(833)	489	21,022
Restricted fixed asset funds	20,755	24,437	(833)	489	44,848
Unrestricted funds					
Unrestricted general Trust funds	561	1,245	(1,163)	—	643
Herts & Bucks teaching school	—	120	(120)	—	—
Designated SCD funds	281	332	(191)	(85)	337
Designated funds – trips, catering, other	129	265	(269)	—	125
Total unrestricted funds	971	1,962	(1,743)	(85)	1,105
Total funds	22,237	37,536	(14,022)	(471)	45,280

17 Analysis of net assets between funds

Group	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000	Total 2019 £'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	52,286	52,286	44,270
Current assets	1,088	3,166	2,139	6,404	4,700
Current liabilities	—	(1,750)	(90)	(1,840)	(1,818)
Non-current liabilities	—	(141)	—	(141)	(71)
Pension scheme liability	—	(3,976)	—	(3,976)	(1,801)
Total net assets	1,088	(2,701)	54,335	52,722	45,280

Group	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	44,270	44,270
Current assets	1,105	3,010	578	4,693
Current liabilities	—	(1,811)	—	(1,811)
Non-current liabilities	—	(71)	—	(71)
Pension scheme liability	—	(1,801)	—	(1,801)
Total net assets	1,105	(673)	44,848	45,280

18 Capital commitments

	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	3,457	138

19 Commitments under operating leases

Operating leases

At 31 August 2020, the total of the Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £'000	2019 £'000
Motor vehicles, plant and equipment		
Amounts due within one year	85	60
Amounts due between two and five years inclusive	116	77
Amounts due in greater than five years	—	2
	201	139

20 Transfer on Conversion

On the 1 September 2019 Onslow St Audrey's School joined the Trust, and in doing so converted from a single Academy to a Multi Academy.

Below are the amounts transferred into the Trust at this date.

	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Tangible fixed assets				
Freehold land and buildings	—	—	6,934	6,934
Other tangible fixed assets	—	—	36	36
Budget surplus on other LA funds	—	—	—	—
Budget surplus on other school funds	293	—	—	293
LGPS pension (deficit)	—	(1,638)	—	(1,638)
Borrowing obligations	—	—	(116)	(116)
Net assets	293	(1,638)	6,854	5,509

21 Members' Liability

Each member of the Trust 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.

22 Pension and similar obligations

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

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

Contributions amounting to £nil were payable to the schemes at 31 August 2020 (2019: £212,548) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £4,572,630 (2019: £698,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £889k, of which employer's contributions totalled £707k and employees' contributions totalled £182k. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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.

	At 31 August 2020	At 31 August 2019
Principal Actuarial Assumptions		
Rate of increase in salaries	2.6% / 2.7%	2.4%
Rate of increase for pensions in payment / inflation	2.2% / 2.3%	2.3%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.2% / 2.3%	2.3%

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.9	21.9
Females	22.8	23.9
<i>Retiring in 20 years</i>		
Males	24.1	22.9
Females	25.5	25.3

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.5%	1,356	139
Salary increase rate +0.5%	62	13
Pension increase rate +0.5%	1,276	124

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	3,951	1,897
Bonds	2,609	1,531
Property	671	315
Cash	225	156
Other	—	—
Total market value of assets	7,456	3,899
Present value of scheme liabilities		
Funded	(11,432)	(5,700)
Deficit in the scheme	(3,976)	(1,801)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost	1,366	519
Past service cost	—	5
Net interest cost	(67)	(21)
Total operating charge	1,299	503
Analysis of pension finance income (costs)		
Expected return on pension scheme assets	120	80
Interest on pension liabilities	(187)	(101)
Total amount recognised in the SOFA	(67)	(21)

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	5,728	3,189
Transferred in on conversion	3,982	1,204
Current service cost	1,366	514
Past service cost	—	5
Interest cost	187	101
Employee contributions	182	115
Actuarial (gain)/loss	166	630
Benefits paid	(179)	(30)
At 31 August 2020	11,432	5,728

Changes in the fair value of the Trust's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	3,926	2,573
Transferred in on conversion	2,344	687
Interest income	120	80
Actuarial gain	355	159
Benefits paid	(179)	(30)
Employer contributions	707	342
Employee contributions	182	115
At 31 August 2020	7,455	3,926

23 Teaching School Trading Account

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Direct income				
Teaching schools grants	40		40	
Other income				
Fundraising and other trading grants	67		120	
Total income		107		160
Direct expenditure				
Direct costs	(30)		—	
Staff costs	(41)		(63)	
Other direct costs	—		(97)	
		(71)		(160)
Other expenditure				
Support Staff costs	(29)		—	
Technology costs	(3)		—	
Other support costs	(2)		—	
Share of governance costs	(2)		—	
		(36)		—
Total expenditure		(107)		(160)
Surplus from all sources		—		—
Teaching schools balances at 1 September 2020		—		—

24 Related party transactions

Owing to the nature of the Trust's operations 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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account. During the year, St Clement Danes School received donations from various organisations that are connected to the school, either through common Trustees (see page 1) and/or through charitable objects to support the functions of the school. The amounts received were:

	2020 £000	2019 £'000
St Clement Danes Holborn Estate Charity	210	237
St Clement Danes School Anchor Fund	93	10

St Clement Danes School has the support and financial backing from Holborn Estate Charity and the School's own Charitable Foundation.

St Clement Danes Anchor Fund is registered with the Charity Commission, the fund gives parents the opportunity to contribute directly and effectively to the education of their children – see page 23 – Fundraising for more details.

Central Services has two Services Level Agreements (SLA's) and received the following income during 2019-20.

24 Related party transactions (continued)

	2020 £000	2019 £'000
Elstree Arts Academy (formally Elstree UTC)	12	10
West Herts Schools Trust	12	0

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all expenditure transactions made on or after 1 April 2019 and obtaining their approval where required (there were none), and with their financial regulations and procurement procedures.

25 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting year ended 31 August 2020 the Trust received £27,357 (2019: £20,159) and disbursed £18,621 (2019: £8,398) from the fund. In addition, a £4,445 bursary credit was transferred in with Onslow St Audrey's school. As a result, an amount of £35,207 (2019: £22,025) is included in creditors relating to undistributed funds that are repayable to the ESFA.

26 Trading subsidiaries

The wholly owned trading subsidiary, Herts & Bucks Teaching School Alliance Limited (H&BTSA), is incorporated in the United Kingdom (company number 09160328) and pays all of its surpluses to the Trust under the gift aid scheme. The company operates a number of CPD courses for other schools. This H&BTSA will cease trading on the 31 August 2021 as the Teaching School grant funding is no longer available. The Trust owns the entire share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below:

The summary financial performance of the subsidiary alone is:

	2020 £'000	2019 £'000
Turnover	107	160
Cost of Sales	(71)	—
Gross profit	36	160
Administrative expenses	(36)	(160)
Profit on ordinary activities before taxation	—	—
Gift aid donation to Danes Educational Trust	—	—
Profit on ordinary activities after taxation	—	—

The assets and liabilities of the subsidiary were:

	2020 £'000	2019 £'000
Current assets	18	90
Current liabilities	(18)	(90)
Total net assets	—	—

26 Trading subsidiaries (continued)

The wholly owned trading subsidiary, Danes Educational Trust Trading Ltd, is incorporated in the United Kingdom (company number 09957708) and pays all of its profits to the Trust under the gift aid scheme. The company carries out trading activities including rental of school sports facilities. The company was incorporated on 19 January 2016. The Trust owns the entire share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below:

The summary financial performance of the subsidiary alone is:

	2020 £'000	2019 £'000
Turnover	89	66
Cost of sales	(74)	(63)
Gross profit	15	3
Administrative expenses	(15)	(3)
Profit on ordinary activities before taxation	—	—
Gift aid donation to Danes Educational Trust	—	—
Profit on ordinary activities after taxation	—	—

The assets and liabilities of the subsidiary were:

	2020 £'000	2019 £'000
Current assets	10	63
Current liabilities	(10)	(63)
Total net assets	—	—

27 Events after the end of the reporting period

De Havilland Primary School in Hatfield joined the Trust on the 1 October 2020.