

DANES EDUCATIONAL TRUST

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



Consolidated Annual Report and Financial Statements

31st August 2021

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

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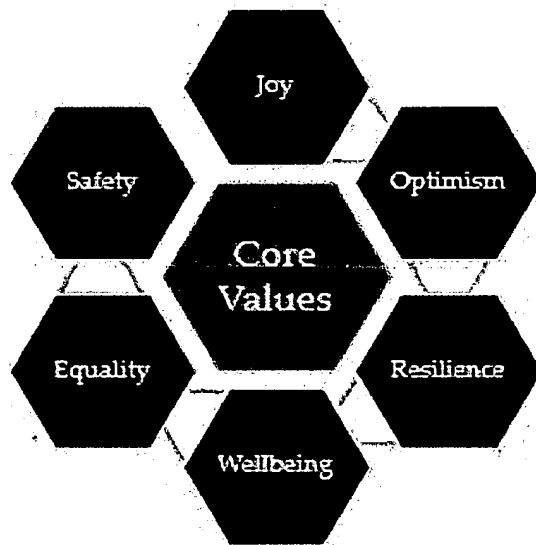
Consolidated statement of financial
activities

Consolidated and Trust balance sheets

Consolidated statement of cash flows

Principal accounting policies

Notes to the financial statements



1. Reference and administrative information

In post as at the date of signing, details of in year changes on page 4

Members L Clarkson MBE - Chair - Holborn Estate Charity Trustee
M Bruce - Holborn Estate Charity Trustee
R Hadfield MBE - Holborn Estate Charity Trustee, St Clement
Danes School Anchor Fund Trustee
K Unger - Chair Trust Board
R Gauke - Vice Chair Trust Board

Trustees K Unger - Chair
R Gauke - Vice Chair

N Blythe
R Carpenter
T Coulson
J Freedman
C Garner
K Hardwidge
L O'Connor
P Shah
J Valentine OBE

Danes Educational Trust
CEO & Accounting Officer J Valentine OBE

Central Services Directors
COO D Richards
Director of Education, Secondary R Brindley
Director of Education, Primary C Marks
Director of Finance & CFO N Hammond

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 Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

**Danes Educational Trust – Trading
Subsidiaries**

Danes Educational Trust Trading Ltd
Company Registration Number 09957708

Directors

J Valentine OBE, C Marks, T Sutherland

Directors

Danes Educational Trust The Partnership
Company Registration Number 09160328

J Valentine OBE, R Brindley

Trustee and Key Management Personnel

Trustees 1st September 2020 – 31st August 2021

Individual	Movement in year
P Allanson	appointed 15 th March 2021 - Audit Committee
R Carpenter	appointed 13 th June 2021
J Freedman	appointed 15 th March 2021
M Green	resigned 5 th December 2020
K Hardwidge	appointed 12 th October 2020
E Kelly	resigned 7 th December 2020
L O'Connor	appointed 12 th October 2020

Key Management Personnel 1st September 2020 – 31st August 2021

Individual	Movement in year
D Richards	Director of Resources – until 31 st August 2021
D Richards	COO - from 1 st September 2021
R Brindley	Trust Improvement Director - until 31 st August 2021
R Brindley	Director of Education, Secondary – from 1 st September 2021
C Marks	Director of Education, Primary – from 1 st September 2021
P Bremner	Trust Development Director - resigned 31 st August 2021

DET Schools

As at the date of signing

Danes Educational Trust Schools (9)

St Clement Danes – Chorleywood

Headteacher	T Sutherland
Deputy Headteacher	J Jones
Acting Deputy Headteacher	A Harris
Assistant Headteacher	S Doyle
Assistant Headteacher	M Garvey
Assistant Headteacher & Director of Sixth Form	A Ryan

School Board Chair	M Day
School Board Vice Chair	M Garial
Governor	S Clarke
Governor	N Edwards
Governor	C Haggith-Khonje
Governor	S Kemp
Governor	P Shah
Governor	C Steet
Governor	A Ward
Staff Governor	K Ingleby
Staff Governor	S Sharp

Croxley Danes School – Croxley Green

Headteacher	S Thompson
Deputy Headteacher	O Ridge
Assistant Headteacher	D Dwight
Assistant Headteacher	L Dorrington
Assistant Headteacher	H Cox
Acting Assistant Headteacher	K Wilding

School Board Chair	T James
School Board Vice Chair	J Thorn
Governor	J Bishop
Governor	I Casselton
Governor	A Peters
Governor	D Rose
Governor	D Shaw
Governor	C Watson
Staff Governor	H Cox
Staff Governor	A Brown

Chancellor's School – Hatfield

Headteacher	D Croston
Deputy Headteacher	E Grant
Deputy Headteacher	J Huddleston
Assistant Headteacher	S Antwi
Assistant Headteacher	K Goodman

Assistant Headteacher	C.Price
Assistant Headteacher	S Reilly
School Board Chair	J Buoy
School Board Vice Chair	C Rendall
Governor	J Buoy
Governor	B Christoforou
Governor	F Souleiman
Governor	L Toye
Staff Governor	K House
Staff Governor	N Patrick

Onslow St Audrey's School - Hatfield

Headteacher	D Bullock
Deputy Headteacher	R Bird
Deputy Headteacher	J Casotti
Assistant Headteacher	J Flint
Assistant Headteacher	G Sahin

Interim Action Board

Chair of Interim Action Board	L Soden
Member of Interim Action Board	J Valentine OBE
Member of Interim Action Board	M Day
Member of Interim Action Board	T Coulson

De Havilland Primary School – Hatfield

joined 10th October 2021

Headteacher	S King
Assistant Headteacher	D Bostock
Assistant Headteacher	L Walker

Elstree Screen Arts – Borehamwood

joined 1st April 2021

Principal	C Mitchell
Assistant Principal	L Christy
Assistant Principal	A Wallis
Assistant Principal	N Ward
School Board Chair	A Williams
Governor	L Barton
Governor	R Morris
Governor	D Oshisanya
Governor	V Topiwala
Governor	K Omijeh
Parent Governor	G Becker
Staff Governor	A Mallen

Ascot Road Primary School – Watford

joined 1st September 2021

Headteacher	C Elsley
Assistant Headteacher	N Beere
Acting Assistant Headteacher	E Kelly

Jupiter Primary School – Hemel Hempstead

joined 1st September 2021

Headteacher	T Nowell
Assistant Headteacher	L Waggeh
Assistant Headteacher	T Crute-Mussell

Danes Educational Trust Annual Report and Financial Statements

Lanchester Primary School – Watford	joined 1 st September 2021
Principal	J Dibdin
Assistant Principal	L Hill
Assistant Principal	L Nosal

De Havilland and Jupiter Schools' joint Board	
School Board Chair	C McLintock
Headteacher Jupiter	T Nowell
Headteacher De Havilland	S King
Governor	J Stevens
Governor	L McGuinness
Governor	D Hajra
Governor	J Flint

Ascot Road and Lanchester Primary Schools' joint Board	
Chair	R Venchard
Governor	D Affarka
Governor	O Apampa
Governor	T Body
Headteacher Lanchester	J Dibdin
Headteacher Ascot Road	C Elsley
Governor	R Hirani
Governor	S Kazmi
Governor	G Ladha
Governor	M Mitchell
Governor	A Odunsi
Governor	D Tattersal

2. Trustees Review of the year

This time last year, as we reflected on the changes we had navigated, and the uncertainty ahead, never did we imagine that we'd be writing about the unprecedented challenges we have all faced this year. We are immensely proud of the commitment, dedication and hard work shown by Trust colleagues who, whilst juggling the personal impact of Covid-19, have continued supporting our staff and learners to deliver high quality education as explained in this report.

2.1 Achievements and performance

Educational Outcomes (2021 Teacher Assessed Grades after National uplift)

Due to the Covid-19 pandemic public examinations for KS4 and KS5 did not take place in the Summer of 2021, with schools directed by Government to use Teacher Assessed Grades (TAG's). Whilst there is no statutory requirement to publish the outcomes in 2021, the TAG's given to learners provide essential KPI data to demonstrate the effectiveness of our educational activities.

EDUCATIONAL OUTCOMES (SECONDARY) 2021 KEY STAGE 4 (2019 figures in brackets)							
	England Average 2019	Local Authority Average 2019	Chancellor's	Croxley Danes	Elstree Screen Arts	Onslow St Audrey's	St Clement Danes
% Entering the English Baccalaureate	40%	48%	74% (71%)	N/A	0% (0%) *	23% (7%)	55% (34%)
English Baccalaureate Average Point Score	4.07	4.56	5.2 (4.8)	N/A	0 (0) *	3.6 (2.8)	6.0 (5.3)
Attainment 8	46.7	51.5	56.2 (51.9)	N/A	45.2 (40.9)	44.2 (38.4)	65.7 (60.9)
% 5+ Strong passes (5+) including English and Maths			62% (53%)	N/A	50% (25%)	37% (21%)	79% (68%)
% 5+ Standard (4+) including English and Maths			81% (76%)	N/A	64% (47%)	56% (42%)	93% (88%)
% Achieving 9 - 5 in English and Maths	43%	52%	65% (58%)	N/A	49% (26%)	37% (21%)	79% (70%)
% Achieving 9 - 4 in English and Maths	65%	73%	86% (79%)	N/A	65% (54%)	57% (42%)	95% (89%)
% Learners taking 3 x Single Sciences (GCSE only)	27%	32%	16% (17%)	N/A	0% (10%) *	13% (42%)	31% (40%)

* Elstree Screen Arts Academy has a specialist curriculum tailored towards its creative arts industry specialism. This bespoke curriculum which is why there are no entries for the English Baccalaureate and single sciences.

EDUCATIONAL OUTCOMES (SECONDARY) 2021 KEY STAGE 5 (2019 figures in brackets)							
	England Average 2019	Local Authority Average 2019	Chancellor's	Croxley Danes	Elstree Screen Arts	Onslow St Audrey's	St Clement Danes
Average Point Score per A Level entry	34.0	35.0	40.7 (34.2)	N/A	35.0 (25.9)	37.8 (29.8)	44.9 (38.6)
Average Point Score for a learners best 3 A Levels	32.9	35.6	41.3 (3.3)	N/A	13.9 (13.1)	39.2 (26.9)	46.0 (39.3)
Achieving A Level at AAB or higher (in at least 2 facilitating subjects)	14.1%	18.1%	27% (10%)	N/A	0% (0%)	24% (8%)	34% (20%)
Average Point Score per academic entry	34.3	35.4	40.8 (34.2)	N/A	35.0 (26.0)	37.8 (2.2)	44.7 (38.7)
Average Point Score per Applied General Qualifications	28.9	28.9	27.6 (27.0)	N/A	34.5 (29.0)	37.7 (29.7)	27.4 (35.6)
Average Point Score per Tech Level Qualifications	28.6	28.4	39.4 (30.7)	N/A	33.2 (20.3)	N/A	N/A

EDUCATIONAL OUTCOMES (PRIMARY) 2021 KEY STAGE 2				
		England Average 2019	Local Authority Average	De Havilland Primary School
Statutory Assessment Tests Combined Reading Writing Maths	Age Related Expectations	65%	67%	48.3%
Statutory Assessment Tests Combined Reading Writing Maths	Above Age Related Expectations	11%	13%	8.3%
Statutory Assessment Tests Reading	Age Related Expectations	73%	77%	65%
Statutory Assessment Tests Reading	Above Age Related Expectations	27%	31%	23%
Statutory Assessment Tests Writing	Age Related Expectations	75%	80%	66.7%
Statutory Assessment Tests Writing	Above Age Related Expectations	20%	25%	11.7%
Statutory Assessment Tests Maths	Age Related Expectations	79%	80%	64.4%
Statutory Assessment Tests Maths	Above Age Related Expectations	27%	30%	13.3%

As Statutory Assessment Tests (SATs) were not completed nationally the % outcomes for the school are based on the 2019 SATs paper combined with National Foundation for Educational Research testing.

2.2 Mental Health and Wellbeing

Supporting the mental health and wellbeing of our learners and staff has been a key focus during the year, especially in response to the impact of the Covid-19 pandemic. Various strategies have been deployed across our schools including; targeted use of school counsellors, mental health awareness assemblies for learners and briefings for staff, engagement with external providers including Child and Adolescent Mental Health Service (CAMHS) and support from school pastoral teams.

During the periods of partial school closure, learners at all schools received regular contact from pastoral teams. The most vulnerable learners and those learners identified as requiring additional support continued to attend their school during periods of lockdown to ensure a stable, supportive and nurturing environment was maintained.

2.3 Property

Croxley Danes School

In September 2020 the permanent school site for Croxley Danes School in Baldwins Lane, Croxley Green opened. The opening of the new school premises completed a development that was conceived in 2013 when St Clement Danes School was approached by Hertfordshire County Council (HCC) to open a new Free School for the local area.

The new school premises were funded by the Department for Education (DfE) with the construction project commencing in 2018. Investment into the new school buildings was in excess of £24,000,000 and the new school provides an excellent learning environment with leading resources and facilities for the community.

The success of opening Croxley Danes Schools is clearly demonstrated by the school being oversubscribed with over 1000 learners applying for 180 places in 2020.

Chancellor's School

In March 2021 an expansion project was completed at Chancellor's School. This expansion project, supported by HCC with funding of £3,850,000 commenced in March 2020 providing new buildings and facilities to accommodate an extra form of entry at the school.

The new buildings and facilities include; 7 class rooms, sports hall, multi-use games area and additional carparking space. The school is now 7 forms entry providing 210 places in year 7. The school remains a popular choice for local families and is oversubscribed on first choices.

Onslow St Audrey's School

At the request of HCC, the Trust has agreed to expand Onslow St Audrey's School. This expansion will increase the school from 5 forms entry to 6 forms entry providing 180 spaces for year 7 students. The project which is funded by HCC will see investment in excess of £3,300,000 to construct a new science block, tennis courts and additional carparking space. The projected completion date of the project is June 2022.

Complementing the expansion project, the Trust continues to progress a land sale at the school which will provide additional investment into buildings and facilities at the school. On completion of the land sale we will construct a sports hall, all weather pitch, hard surface play area and wider improvements across the school estate.

2.4 Trust Growth

Building on relationships forged by school improvement the Trust continued to grow during 2020-21 with DE Havilland Primary School joining on 1st October 2020 and Elstree Screen Arts Academy (formerly Elstree University Technical College) joining on 1st April 2021.

With De Havilland Primary School joining the Trust our vision of providing all through education was realised and this has been developed further during the year with support provided to the 3 primary schools comprising West Herts Community Free School Trust (WHCFST). Following this period of support, mutual due diligence and agreement from both DET and WHCFST boards work commenced to transfer the schools to the Trust with the transfer completed on 1st September 2021.

2.5 Covid-19

The Covid-19 Pandemic continued to present the most significant risk to the Trust during the academic year 2020 – 21 and the effects of the pandemic will present continued risk during the year 2021 – 22 and beyond as the entire world adjusts, responds and recovers from the effect of the global pandemic.

The impact of the pandemic has disproportionately affected disadvantaged learners across Trust schools. There is a risk that the gap in educational outcomes and attainment of disadvantaged learners widen due to school closures, access to technology, 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 help with technology' scheme is utilised to ensure that disadvantaged learners have access to a device and an internet connection at home. 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.

Covid-19 Recovery

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, we will focus on the continued 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.

3. Trustees' Report

3.1 About our trust

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 Ltd and Herts & Bucks Teaching School Alliance Ltd (changed its name on the 26th August to Danes Educational Trust - The Partnership) for the year to 31st August 2021. This annual report serves the purposes of both a Trustees' Report and a Directors' Report, incorporating the Strategic Report, under company law.

As at the 31st August 2021 the Trust comprised four secondary academies, one University Technical College (UTC) and one primary school ('the Academies').

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 in Hatfield - joined 1st October 2020
6. Elstree Screen Arts Academy in Borehamwood - joined 1st April 2021

As of 1st September 2021 three additional primary schools joined the Trust; Ascot Road, Jupiter and Lanchester Primary Schools

The financial statements have been prepared in accordance with the accounting policies set out on pages (49 to 53) 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020-21 issued by Education and Skills Funding Agency (ESFA), the Charities Act 2011 and the Companies Act 2006.

3.2 Objects

The objects of the Trust are detailed with in 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 learners or schools specially organised to make special educational provision for pupils with Special Educational Needs.

During the accounting period all activities of the Trust were in accordance with our objects and powers.

3.3 Aims and Vision

The Trust's aim is to provide world class, all-through 3-18 education, through creating a community of outstanding schools in a defined geographical area. All schools will share the highest aspirations and commitment to achieving the best outcomes for all of their learners:

- a world class educational experience for all
- an insatiable drive to improve learners' outcomes
- excellence in leadership and learning, recruitment and retention
- access to exceptional professional development
- impact-focused autonomy and accountability

The Trust's vision supports a network of high performing schools in partnership with the local community to enable:

- all learners make better than expected progress
- teaching is routinely good or outstanding
- all schools are striving for excellence
- learner enjoyment is high
- there are high levels of stakeholder engagement, and our schools are at the heart of their communities
- schools are oversubscribed and held in high esteem by parents, learners and staff
- learners are proud to say that they attend a Danes Educational Trust school

3.4 Core Values and Pledges

The Trust's aims and vision are articulated through our core values, core 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.

3.5 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 32.

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.

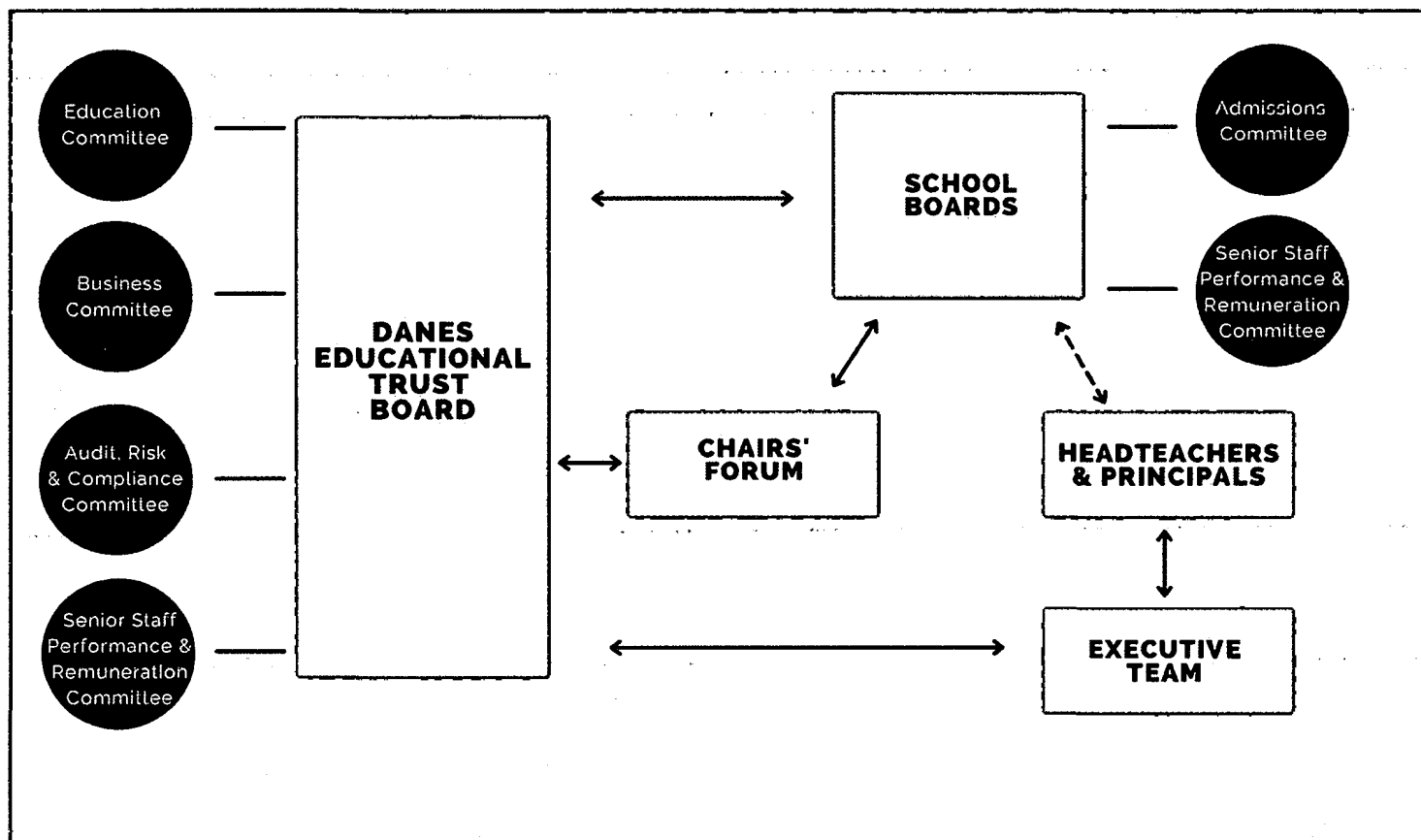
The Members of the Trust ("Members") may appoint up to five Trustees and the Trustees themselves may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees, who have not themselves been so appointed.

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.

GOVERNANCE STRUCTURE

Making the difference together



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.

The Members adopted a new set of Articles of Association on 12th March 2021. This was required by the DfE to account for Elstree Screen Arts Academy joining the Trust.

Arrangements for setting pay and remuneration of key management personnel

The CEO will be appraised by up to 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 when required 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 31st 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

School	Name of Charity or organisation that provided support of financial backing	Amount Received £	Amount Due at Year End £	Total £
St Clement Danes	St Clement Danes Holborn Estate Charity	116,600	323,200	439,800
St Clement Danes	St Clement Danes School Anchor Fund	150,200	Nil	150,200
St Clement Danes	St Clement Danes Parents Association	18,000	400	18,400
St Clement Danes	Chorleywood Youth Football Club	15,000	Nil	15,000
St Clement Danes	Football Association (FA)	468,300	3,000	471,300
Croxley Danes	Croxley Danes Parents Association	1,000	Nil	1,000
Chancellor's	Herts Community Foundation	9,400	Nil	9,400
Chancellor's	Edu Fund	2,900	Nil	2,900
Onslow St Audrey's	Richard Thompson Gunton Memorial Fund	13,900	Nil	13,900
Onslow St Audrey's	Combined Cadet Force	10,000	Nil	10,000
Elstree Screen Arts	Elstree Screen Arts Community Trust	2,500	Nil	2,500
De Havilland	Mitsubishi Funding	26,400	Nil	26,400

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.

Danes Educational Trust Central Services provided Business and Educational support with a Service Level Agreements (SLA) to the following organisations before they joined the Trust:

SLA	Amount Received £000	Amount Due at Year End – Accrual £000	Total £000
Elstree Screen Arts	31.8	12.7	44.5
West Herts Community Free School Trust	66.7	36.3	30.4

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 2020-21 the Trust conducted its second 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 is 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. The Trust has an annual improvement cycle focusing local actions on achieving improved performance.

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. In addition, the Trust is introducing the use of Equality Impact Assessments to ensure that policies and practices do not advantage groups sharing protected characteristics.

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

The Trust builds strong relationships with all their stakeholders, with regard suppliers we actively consider 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 2020 now known as the Academies Trust Handbook 2021 and the Trust Scheme of delegation. As a publicly funded charity we ensure that we deliver best value from our business transactions.

3.6 Objectives, strategies and activities

Trust Strategic Plan 2019-2022

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

- All schools within the Trust will provide learners with opportunities to reach their potential and apply learning beyond the classroom
- 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
- The Trust will implement a robust, rigorous school improvement strategy and the development of a Trust-wide data management system

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

- The Trust 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 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 across the Trust in its operations is highly effective. It will also ensure that strong support and challenge is in place at both Trust Board and School Boards.

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, considering 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

- The Trust will develop robust, responsive and effective communication structures to ensure governors, staff, parents and learners 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

Danes Educational Trust is committed to supporting its schools through 'Making the difference together'.

School Improvement Strategy

The Trust School Improvement Plans (Primary and Secondary) outline our approach to ensure that all trust schools are the very best that they can be. Underpinning this approach is a rigorous school evaluation process which is dovetailed with a system for bespoke and targeted support. We have developed a strong culture of collaborative school improvement across the Trust, where expertise is identified, nurtured and utilised to enable schools to make rapid and sustained progress.

Our Trust School Improvement Strategy: Education is a two-way process of sharing areas of strength with others and providing focused support where improvement is needed, to ensure our learners achieve the very best possible outcomes.

The key principles of our approach to school improvement are:

- As outlined in the Scheme of Delegation, accountability for overall schools' performance across the Trust lies with the Trustees
- The Headteacher and School Boards are accountable for their own school's performance and adhering to the Scheme of Delegation
- The key focus of evaluation (including findings from the annual Trust Teaching and Learning Quality Assurance Cycle) is to identify strengths in practice to share with other schools within the Trust. Development needs are also identified, and appropriate support arranged to ensure further, rapid improvement in all schools within the Trust
- Development support is delivered by a range of professionals within the Trust, including school and Central Services Team staff, and through other commissioned outside services where appropriate
- Robust monitoring and evaluation through the Trust School Improvement Strategy: Education ensures Trustees are well informed about the strengths and development needs of each school within the Trust

Each Trust school will have a Summary Review Meeting which takes place twice per year (at the beginning of the academic year and mid-year). The school Headteacher and Trust Directors of Education review the school's self-evaluation and agree the effectiveness of leaders in fulfilling the Trust's vision. This discussion is summarised within the overarching Trust Plan for School Improvement which is then shared with the school's School Board or equivalent, and relevant central team members.

The focus of the summary review meetings are:

- Quality of Education: Curriculum, Subject Knowledge, Pedagogical Knowledge, Marking & Assessment, Inclusion, Attitude to Learning and Behaviour, Engagement and Joy
- Effectiveness of Leaders in working towards fulfilling the Trust's vision

The Trust has defined school performance in terms of phases of development. Phases are seen as stages in development and it is our expectation that schools will strive to improve their practice constantly. Resulting from the annual Summary Review meetings each school is awarded a phase of development and an appropriate plan agreed.

The phases of school development are:

- **Leading:** Leaders are actively working at and beyond Outstanding in order to secure World Class Status. This school provides learners with an exceptional Quality of Education.
- **Towards Leading:** learners are provided with a good Quality of Education and Key Performance Indicators may display sustained improvement over time.
- **Rapid Action Required:** Schools in this phase are Causing Concern and they receive the highest priority for support as Leadership and Management is considered unstable and/or ineffective. A classification of 'Rapid Action Required' indicates that a school is failing to deliver an acceptable Quality of Education.

Outcomes of the summary review process are reported at both School and Trust Board level:

- At the beginning of the year the Headteacher presents a school-focused summary review report and the School Development Plan to their School Board for review.
- The Directors of Education present a written report accounting for the Summary Review meetings with Headteachers to the CEO in advance of the Headteacher Appraisal meetings (start of year and mid-year)
- The CEO presents a Trust-wide summary review report to include the Trust Plans for School Improvement: Education to the Trust's Education Committee for review
- As well as maintaining the overview of all schools' performance across the Trust, the Education Committee evaluates the effectiveness of the Trust in supporting school improvement and reports this to the full Trust Board.

Trust Improvement Priorities

Overarching Trust Improvement priorities are underpinned by national priorities, Ofsted priorities and Trust vision and values in education. Current priorities include:

1. Covid-19 recovery and examinations
2. Effective implementation of Early Career Framework through 'Danes Educational Trust The Partnership'
3. Curriculum and Assessment: consistency and cohesion
4. Oracy and learner voice
5. Cross Trust post 16 provision
6. ITT recruitment through Lead School Status and 'The Partnership'

Public Benefit

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

Once De Havilland Primary joined the Trust in October 2020, the Trustees were able to fulfil a Trust aim to ensure the educational provision for learners aged 3-18. In April 2021 Elstree Screen Arts Academy joined the Trust and extended and enhanced the educational provision for our learners. More, recently in September 2021 Jupiter, Lanchester and Ascot Road Primary Schools joined the Trust.

3.7 Financial Review and Going Concern

Financial review

As a Trust we ensure we manage our resources efficiently to give all learners in our care the highest possible education.

The Trust continues to operate effectively in an environment which is acknowledged by many as being underfunded. For the second year running we have had the added impact and additional costs associated with Covid-19 this coupled with the reduced income from factors such as income generation.

The majority of the Trust's income is obtained from the DfE via the 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 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Changes in income in 2021

Income detail	Reason	2019-20 £000	2020-21 £000	Increase
DfE/ESFA Funding for Trust's educational operation	4 Secondary Schools operating for a full 12 months, plus the addition of 1 Primary School for 11 months and a University Technical College (UTC) for 5 months - giving an increase in pupil numbers of 33% from 4,668 to 6,186	21,993	27,053	23.01%
Donations and capital grants	Chancellor's, Onslow St Audrey's, St Clement Danes and Elstree Screen Arts Academy have undertaken large capital projects during 2020-21	3,342	3,797	13.61%
Other trading income	Hiring's Income has increased in year despite being in lockdown for 3 months this was due to the new Multi Use Games area (MUGA) at St Clement Danes School	89	104	16.85%

Fixed Assets

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 learners 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 18.

Reserves policy

The Trust Board, having in mind the future development of the Trust, seeks to set a level of reserves which, over a projected rolling period of 5 years, will be sufficient to ensure:

1. The growth and development of the Trust.
2. The funding of capital investment projects – where such capital funding is the responsibility of the Trust. The funding of ring-fenced projects where either *Restricted* or *Designated Reserves* have been accumulated over several years.

3. The general funding of the Trust, in instances where there have been exceptional increases in costs or reductions of income of a temporary nature.

The Trust Business Committee review the required level of reserves at least annually to ensure that the reserves are both adequate without being excessive, the reserves indicator for each school should be set at 5% of gross income.

Each School to provide the Trust Board with an annual plan in the Autumn term for:

1. The use of Reserves above 5% or
2. How they plan to build their Reserves back to 5%

As at 31st August 2021 the Trust held free reserves of £4,142,000 (2020: £2,363,000) (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

Trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers, as set out in the articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional advisor, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust

Investment Principles

The Trust only invests funds in low risk and easily-accessible accounts. Funds will only be placed in accounts with leading UK banks with a withdrawal notice of no more than 12 weeks.

- Current Investments are held with Lloyds Bank PLC with a maximum withdrawal period of 32 days
- Risk is managed ensuring that the security of funds takes precedence over revenue maximization.
- Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Cash flow and current account balances will be monitored regularly by CFO to ensure immediate financial commitments can be met and any interest will be automatically reinvested. The Investment policy is reviewed by the Trust on an Annual basis.

Going Concern

The Trust's reserves have increased during 2020-21. These reserves are available to cover growth and development of the Trust, capital investment projects and any short-term unplanned deficits at any of our Schools. Our monthly management accounts include a Statement of Financial Activities (SOFA) and Statement of Financial Position (SFP) together with a 12-month cash flow forecast.

Following a special written resolution on the 26th August 2021, The Herts & Bucks Teaching School Alliance Ltd changed its name to Danes Educational Trust; The Partnership Limited. A business plan for 2021-26 has been submitted to the Trust's Audit Committee to reflect the entity's ability to operate as a going concern.

After making appropriate enquiries of the executive, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason, it continues to adopt the going concern basis in preparing the financial statements.

3.8 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 2021 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 £42,595,000 (2020: £7,442,000). This includes the effect of the transfer in of net assets of £42,307,000 in relation to the conversion of De Havilland School, the Academy Transfer of Elstree Screen Arts Academy and the introduction of the Croxley Danes school building

Excluding net income attributable to the fixed assets fund of £43,933,000 (2020 £8,891,000), fixed asset purchases from revenue funds of £650k (2020 £596k), the net liabilities of £52k (2020 £1,345k) inherited from De Havilland and Elstree, and the FRS 102 adjustments for the LGPS [actuarial loss of £2,086k (2020 gain of £189k), service cost £1,025k (2020 £659k) and interest cost of £88k (2020 £67k)], the Trust achieved an 'in-year' operational deficit of £1,263k (2020 £163k).

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 the year 2020-21, The Trust achieved an outcome of 74.6% (2020 78%).

3. Learners on roll at Trust Academies (summer term census 2021)

School	Learners	Forms of entry	Teacher FTE	Support FTE	Total
Ascot Road Primary - Watford joined 1 st September 2021	383	2	19.80	15.60	35.40
Chancellor's Secondary – Potters Bar	1,189	7	79.47	29.54	109.01
Croxley Danes Secondary - Croxley Green	658	6	51.52	19.84	71.36
De Havilland Primary – Hatfield	423	2	20.00	21.42	41.42
Elstree Screen Arts Academy (UTC) - Borehamwood	410	4	37.40	11.03	48.43
Jupiter Primary - Hemel Hempstead joined 1 st September 2021	388	2	16.80	17.76	34.56
Lanchester Primary – Watford joined 1 st September 2021	353	2	16.50	15.01	31.51
Onslow St Audrey's Secondary – Hatfield	809	6	52.12	32.90	85.02
St Clement Danes Secondary – Chorleywood	1,573	8	89.26	36.17	125.43
Total	6,186	39	382.87	199.27	582.14

3.9 Principal Risks and Uncertainties

The Covid-19 Pandemic continued to presented the most significant risk to the Trust during the academic year 2020 – 21 and the effects of the pandemic will present continued risk during the year 2021 – 22 and beyond as the entire world adjusts, responds and recovers from the effect of the global pandemic.

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

Educational

With a further government directive for schools to close to all learners and staff with the exception of learners identified as looked after, with an Education Health and Care Plan or the child of a key worker, disruption to education continued during the year. In response to the enforced lockdowns and partial closures of schools Trust ensured that learning continued at home via the use of technology building on the solid foundations that had been established during the 2019–20 year. Staff and learners adapted exceptionally well to this continued disruption to education and learning delivering lessons and resources remotely using platforms such as Microsoft Teams and Google for Education ensuring that teaching and learning for all could continue despite the closures of schools to all but a few learners.

Public examinations in years 11 and 13 were cancelled in 2021 as a result of the school closures, similar to the previous year. This led to schools providing Teacher Assessed Grades (TAGs) as the mechanism to assess learners' educational outcomes at the end of Key Stage 4 and Key Stage 5. A coordinated approach across Trust schools, led by the Trust Improvement Director ensured a fair and accurate TAGs were submitted to the exam boards in line with the published requirements. The cancellation of exams was heart-breaking for both learners and staff, the TAGs process whilst not a true replacement for exams allowed educational performance and hard work to be recognised and rewarded ensuring that learners could continue on their educational journey.

Communications

National lockdown and school closures presented significant risk to trust communications with staff, learners and key stakeholders as we embraced remote learning and working. During these extraordinary times effective communication was needed more than ever in order to: ensure a high quality virtual educational provision; respond to the changing requirements

and guidelines for schools; support leaders and staff within our schools and inform our wider stakeholder. We worked hard and achieved a coordinated and comprehensive Trust wide response.

Finance

The financial impact of the pandemic continues to have an adverse effect on schools. All Trust schools have experienced increased costs due to cover for staff absence, additional cleaning, additional resources to ensure safe opening of schools in line with government guidance and risk assessments as well as continuing costs of key contracts such as the catering provision under the government public procurement notice. There has been no additional funding received by schools to help manage these additional costs.

Locally generated income continues to be negatively impacted due to the pandemic. With the government directive for schools to close and Covid-19 restrictions introduced for gatherings, clubs and sport income generated by the hiring of school facilities and catering all ceased. These are all important revenue streams for Trust schools with no ability to replace the usual income generated.

As all schools remained in budget, none are eligible for the government provided funding stream to support the exceptional costs associated with Covid-19. To further mitigate the risk Central Services and school staff ensure close budget monitoring is maintained along with reducing non-essential expenditure.

The main financial risk to the Trust is the need 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. However, it is a known risk facing multi-academy trusts at this early stage of development. The Trust has previously 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.

Governance

Throughout the Covid-19 pandemic the Trust Head of Governance has ensured that effective governance remained in place at all levels across the Trust including at a Trust Board and School Board level. The Trust remained compliant with the levels of authority set out in the scheme of delegation and this was an important tool used in making decisions on school closures, school openings in line with guidance and also ensuring required risk assessments and process were in place. The scheme of delegation was updated to reflect the requirements and authorisations needed in response to the Covid-19 measures.

To mitigate the risk of ineffective governance all Trust Board and School Board meetings continued as planned and were held remotely. Regular communications between Trust Board, School Board and Trust/school leadership were maintained.

Health and Safety

The continuing pandemic presented the Trust with significant logistical and operational challenges, especially when schools were fully opened to staff and learners in March 2021. Schools needed to provide a safe environment for all staff and learners to help prevent the spread of Covid-19 and protect critically extremely vulnerable staff and learners whilst at the same time continuing to deliver education. This presented significant logistical and operational challenges to which Trust schools responded exceptionally well.

In order to mitigate the risk, the Trust ensured that schools followed 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, learner population and buildings required risk assessments to meet specific need rather than a one size fits all model.

Premises teams within schools ensured that schools were well prepared to fully re-open to all learners and staff following the second national lockdown by undertaking the statutory inspection and maintenance and embedding the Covid-19 risk assessments.

Human Resources

There is an ongoing need to protect Critically 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, the Trust Head of HR ensures that the published guidance for supporting school employees is reflected in school risk assessments and procedures and supporting CEV staff through individual risk assessments to help support the return to schools. Staff are provided with training, risk assessment and resources to support home working and a series of wellbeing seminars are 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.

Strategies will be introduced to support apprehensive staff return to the school working environment, support staff wellbeing and to identify which staff are required to work in schools and those staff where a blended model of both school and home working can be accommodated.

Information Technology

The risk to the continued operations of the Trust is significant when teaching and all business functions work remotely.

In mitigating the risk IT support staff ensure that platforms to support remote learning and working are available across the Trust including Microsoft Teams and Google for Education. If learners or staff do not have access to a computer at home school devices are provided. *For disadvantaged and vulnerable learners' applications were submitted to the DfE get help with technology scheme to provide a device and internet access.* Training is provided to staff and learners to support the use of IT in remote working. Where specific staff have a need to access the school IT network from home e.g. to complete payroll or access learners and staff records a Virtual Private Network (VPN) connection is provided. All schools within the Trust are moving towards fully integrating Google for Education as a resource to support teaching and learning.

In response to the increase in cyber-attacks on schools, all schools in the Trust were able to confirm that they do complete backups and can fully recover all data from those backups. To mitigate the risk, a new business KPI has been introduced in relation to backup and recovery that will form part of our termly business KPI review. In March 2021 the Trust also introduced a Data Security Policy.

Safeguarding

School closures during the continuing national lockdowns resulting from the pandemic presented a significant safeguarding risk to some learners and especially our most vulnerable learners. The pastoral support available to them on a daily basis alongside the safe haven of the school environment was removed overnight.

To mitigate safeguarding risk learners 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 daily free school meals were provided during the lock down period and school holidays via school caterers or a supermarket voucher scheme. Trust and school policies including Safeguarding, I.T and Teaching and Learning were all updated to reflect additional safeguarding requirements resulting from Covid-19.

Strategic

The growth strategy of the Trust was impacted as a direct result of the Covid-19 pandemic. Trust Board and DfE approval had been secured to transfer De Havilland Primary School and Elstree Screen Arts Academy into the Trust, however the national Covid-19 restrictions delayed the planned transfers. The De Havilland transfer was delayed until 1st October 2020 and the Elstree Screen Arts Academy was delayed until 1st April 2021. To mitigate the delayed transfers Service Level Agreements were put in place at each school to ensure that the schools were supported in areas of school improvement and business functions during the extended transfer process.

Ongoing Risks

The effects of the Covid-19 pandemic will continue to be felt throughout 2021–22 and into future periods. We will continue to mitigate this risk through following government guidance, implementing Covid-19 measures, supporting mental health and wellbeing and ensuring targeted support through the use of the Covid -19 Cath Up Premium to deliver interventions such as the National Tutoring programmes to bridge the gap in performance of disadvantaged learners.

Growth

The main strategic risk for the Trust is 'Growth' and transferring additional schools to the Trust. During the year work was completed to finalise the transfer of two schools; De Havilland Primary School, 1st October 2020 and Elstree Screen Arts Academy, 1st April 2021. In addition, the Trust completed a robust due diligence process with key risks to Trustees on West Herts Community Free School Trust (WHCFST) a Multi Academy Trust in Hertfordshire comprising of 3 primary schools. DET Trust Board approved the transfer of WHCFST following review of the risks identified during the due diligence process and the Regional School Commissioner's (RSC) approval of the transfer was obtained in May 2021. Work commenced in the summer term for the transfer which was successfully completed for 1st September 2021.

Trust growth presents financial risk to the Trust with the need to resource the Central Services Team to carry out the functions of due diligence and school transfers before receiving any income from joiner schools. The Trust has previously been successful in applying to the Trust Capacity Fund (TCaF) which has been set up by the DfE to provide additional funding to support the growth and development of academy trusts. We will continue to explore applications to that funding stream to support Trust growth.

Energy

The current high cost of energy is a risk for the Trust and its schools. The rapid rise in energy costs with no associated increase in school funding will impact school budgets and may result in reduced expenditure across other budget headings. To mitigate this risk the Trust will utilise government approved frameworks for energy buying alongside implementing strategies for reducing energy used across trust schools and exploring renewable energy sources.

3.10 Fundraising

The Trust does not use any external fundraisers, all fundraising is undertaken at school level and monitored by either individual School Boards or Trustees for the charity aligned with the academy. Details of the charities can be found under **Related Parties and other Connected Charities or organisations** page 16.

3.11 Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st September 2020 to 31st August 2021.

Energy consumption used to calculate emissions (kWh)	5,417,232
Gas (kWh)	2,930,316
Oil (kWh)	632,070
LPG (kWh)	0
Electricity (kWh)	1,835,849
Electricity Renewables (kWh)	0
Transport Fuel (kWh)	18,302
Scope 1 emissions in metric tonnes CO2e	649.95
Gas consumption	536.72
Oil consumption	155.98
LPG consumption	0.00
Owned transport (school minibus)	2.25
Scope 2 emissions in metric tonnes CO2e	389.81
Purchased electricity	389.81
Purchased electricity renewable	0.00
Scope 3 emissions in metric tonnes CO2e	1.87
Business travel in employee owned vehicles (petrol/diesel)	1.87
Business travel in employee owned vehicles (electric)	0.00
Total gross emissions in metric tonnes CO2e	1,086.62
Total number of students within the trust	5062
Intensity ratio Tonnes CO2e per pupil	0.21

Please note that due to invoicing issues with the energy provider for electric at Croxley Danes School and the provider for gas and electric at De Havilland School we have had to estimate their energy consumption for the period.

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The intensity measure we are using as a trust assessed the Tonnes of CO2e emitted per pupil.

As this is the Trusts first year completing the Streamline Energy and Carbon reporting we do not have the intensity measure for the prior year. In future reporting starting for the period 1st September 2021 - 31st August 2022 we will compare the intensity measure with the prior year.

Measures taken to improve energy efficiency in the past 12 months

- Flat roof and window walling replaced at St Clement Danes school to improve heat retention
- Flat roof replaced at Onslow St Audrey's School to improve heat retention
- Installation of LED lights to the Design and Technology block at Onslow St Audrey's school
- Installation of photovoltaics (solar panels) to the new teaching block at Chancellors School

Measures planned to improve energy efficiency in the next 12 months

- Commissioning of Heat Decarbonisation Plans for all Trust schools under the public sector Phase 2 Low Carbon Skills Fund
- Commissioning of building condition surveys which will identify energy efficiencies
- Installation of LED lighting at Chancellors school
- Strategic use of the Trust Schools Condition Allocation to ensure energy efficiency considered as part of building condition improvement work
- Investigate a cloud-based system for our school servers, this linked to the Trust Google for Education strategy

3.12 Plans for future periods**Strategic Plan 2022-25**

Work has commenced to establish a new Trust strategic plan. In order to release our vision, we recognise the need to act as 'One Trust' with a singular philosophy that brings all our schools together, current and future the new strategic plan will be built around developing five critical relationships:

- aligning our central services with our schools
- ensuring accountability between the Trust and central services
- building the bond between all our schools
- forging the community between the Trust Board and its schools
- growing the respect and reputation of the Trust with our regulators

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 continued 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 learning. We continue to invest resources and expertise in supporting our learners' mental health and well-being.

Development of the Trust estate strategy will continue to be a priority in future periods. The expansion project at Onslow St Audrey's School continues into 2022 alongside the strategy to sell school lands to provide much needed investment into the school buildings. As the Trust has grown we are now eligible for School Condition Allocation funding which is to be used to maintain and develop our estate. The use of this funding will be underpinned by building condition surveys to ensure investment is aligned to need. In addition, during 2022 we will be completing a refurbishment projects at Chancellor's School, Elstree Screen Arts Academy and Onslow St Audrey's school.

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, on 13th December 2021 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'K Unger', is written over a dotted grid background.

K Unger
Chair of Trustees
Date 13th December 2021

4. 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 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 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 the Statement of Trustees Responsibilities. The Board of Trustees has formally met on 8 occasions in 2020-21

Full Board – 8 meetings
Business Committee – 4 meetings
Audit Committee – 3 meetings
Education Committee – 4 meetings

There is a full complement of experienced individuals who are committed to working with the Trust.

Attendance during the year 2020-21 at the Full Board of Trustees was as follows:

Trustee	Appointment	Attendance at meetings	Out of possible total
K Unger (Chair – appointed 30 March)	Appointed 13 th October 2016	8	8
R Gauke (Vice Chair)	Appointed 29 th June 2017	8	8
J A Valentine OBE (CEO & Accounting Officer)	Appointed CEO 1 st September 1998	8	8
N Blythe	Appointed 18 th June 2018	8	8
R Carpenter	Appointed 13 th June 2021	1	1
T Coulson	Appointed 28 th November 2019	7	8
J Freedman	Appointed 15 th March 2021	3	3
C Garner	Appointed 1 st April 2019	7	8
M Green	Resigned 20 th December 2020	3	3
K Hardwidge	Appointed 12 th October 2020	7	7
L O'Connor	Appointed 12 th October 2020	4	7
P Shah	Appointed 15 th March 2021	2	3

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	Meeting Attendance	Out of possible total
N Blythe (Chair)	Appointed 18 th June 2018	4	4
J Freedman	Appointed 15 th March 2021	1	1
C Garner	Appointed 1 st April 2019	4	4
K Unger	Appointed 13 th October 2016	4	4
J Valentine OBE (CEO) in attendance	Appointed CEO 1 st September 2018	3	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	Meeting Attendance	Out of possible total
K Hardwidge (Chair)	Appointed as Chair 2 nd December 2020	3	3
P Allanson – co-opted to Audit Committee	Appointed 15 th March 2021	1	1
S Clarke – co-opted to Audit Committee	Appointed 9 th March 2020	3	3
C Garner	Appointed 1 st April 2019	3	3
M Green	Resigned 20 th Dec 2020	1	1
P Shah	Appointed 15 th March 2021	1	1
J Valentine OBE (CEO) in attendance	Appointed CEO 1 st September 2018	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
T Coulson (Chair)	Appointed 28 th November 2019	3	3
R Carpenter	Appointed 13 th June 2021	1	1
G Butler – co-opted to Education Committee	from September 2019	3	3
R Gauke	Appointed 29 th June 2016	3	3
Dr E Kelly	Appointed 30 th March 2020 resigned 22 nd June 2021	1	2
J Valentine OBE (CEO) in attendance	Appointed CEO 1 September 2018	3	3

Governance and Trustee review

The National Governance Association (NGA) was commissioned to carry out a external review of governance in 2020-21, delayed from 2019/20 due to Covid-19. The Trust Board received the report and produced an action plan in response to the report to

further improve their effectiveness. The action plan is a live document and next reports to the December 2021 Trust Board meeting. The established secondary schools also had an external review of governance carried out by the NGA.

Skills audits were completed across the Trust Board and School Boards in the Autumn Term 2020-21 to inform training and recruitment needs.

School Board governance KPIs are in place and report termly to the Trust Board as part of the business KPI report.

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;
- 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 2020-21 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 additional resources and implement increased cleaning regimes to ensure effective Covid-19 measures are in place to provide a safe environment for the continued operations of schools

The following value for money and best value procurement exercises have taken place during 2020-21

- Onslow St Audrey's School land sale. Competitive tender completed for purchaser of the disposal site.
- Onslow St Audrey School Expansion, £3.38 million funding to expand the school. Competitive tender completed for the construction contract
- Elstree Screen Arts Academy, £486,344 funding to refurbish the top floor of the building. Competitive tender completed for the construction contract
- Trust wide competitive tender for new finance system.

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

- Onslow St Audrey's CIF funding approved £395,206 for hot and cold-water pipe replacement
- Chancellor's School CIF funding approved £529,087 for asbestos removal and ceiling replacement

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 has been in place at Danes Educational Trust from 01 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statement.

The academy trust's system of internal financial control is based on systems and processes with key controls within them such as regular management information, segregation of duties and a system of delegation and accountability. In particular, it includes:

- efficient and effective systems and processes
- 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 business 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

Internal Audit

The Audit Committee appointed Cooper Parry for the Trust's Internal Audit function covering Academic Year 2020-21

Areas reviewed;

- HR and Payroll Processes – Assurance – High
- Procurement Review – 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 31st August 2021 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.

Review of effectiveness

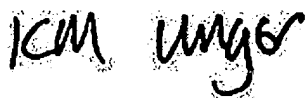
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question, the review has been informed by:

- FRC Ethical Standard has not been affected as the trust has separation between our internal and external auditors
- Internal audit work carried out by Cooper Parry;
- External auditor Buzzacott LLP;
- the financial management and governance self-assessment process and the school resource management self-assessment tool
- 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 and signed on their behalf by:



K Unger
(Chair of Trustees)
Approved on: 13th December 2021



J Valentine OBE
(Accounting Officer)

5. 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 2020.

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 2020.

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.



J Valentine OBE
Accounting Officer
Date: 13th December 2021

6. 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 2020-21;
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 13th December 2021 and signed on its behalf by:



K Unger
Chair of Trustees

7. 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 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31st August 2021 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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 2020-21.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31st August 2021, and of the group's income and expenditure for the period 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 2020-21.

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

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

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

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

Other information

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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 charitable parent company'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 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020-21, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- enquiring of management and those charged with governance as to actual and potential litigation and claims;
- reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

21 December 2021



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

8. Regularity Report

Independent reporting accountant's assurance report on regularity to Danes Educational Trust and the ESFA

In accordance with the terms of our engagement letter dated 11th October 2021 and further to the requirements of the Education Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020-21, 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 1st September 2020 to 31st August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the 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 28th June 2016 and the Academies Financial Handbook, extant from 1st September 2020 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020-21. 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 1st September 2020 to 31st August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

21 December 2021

Buzzacott LLP

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

Consolidated statement of financial activities

Including income and expenditure account for the year to 31 August 2021

			Restricted funds			
	Notes	Un-restricted general fund £'000	General £'000	Fixed assets fund £'000	2021 Total funds £'000	2020 Total funds £'000
Income from:						
Donations and capital grants	1	270	—	30,235	30,505	3,694
Transfer on conversion	20	212	(281)	4,204	4,135	5,509
Transfers on existing Academies joining the Trust	20	—	17	11,665	11,682	—
Charitable activities						
. Funding for the Trust's educational operations	4	1,080	28,423	—	29,503	23,869
. Teaching schools	4	32	52	—	84	107
Other trading income	2	547	319	—	866	1,038
Investments	3	1	—	—	1	7
Total income		2,142	28,530	46,104	76,776	34,224
Expenditure on:						
Raising funds	5	272	—	—	272	215
Charitable activities						
. Trust's educational operations	5	2,657	26,913	2,171	31,741	26,649
. Teaching schools	65	41	42	—	83	107
Total expenditure		2,970	26,955	2,171	32,096	26,971
Net (expenditure) income for the year		(828)	1,575	43,933	44,680	7,253
Transfers between funds	16	(39)	(611)	650	—	—
Actuarial (losses) gains on defined benefit pension scheme	22	—	(2,086)	—	(2,086)	189
Net movement in funds		(867)	(1,121)	44,583	42,595	7,442
Reconciliation of funds						
Total fund balances brought forward at 1 September		1,088	(2,701)	54,335	52,722	45,280
Total fund balances carried forward at 31 August		221	(3,822)	98,918	95,317	52,722

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 2021 £'000	Trust 2021 £'000	Consolidated 2020 £'000	Trust 2020 £'000
Fixed assets					
Tangible fixed assets	10	98,746	98,746	52,286	52,286
Investments	12	—	—	—	—
		98,746	98,746	52,286	52,286
Current assets					
Debtors	13	2,108	2,196	2,048	2,043
Cash at bank and in hand		4,965	4,869	4,356	4,350
		7,073	7,065	6,404	6,393
Liabilities					
Creditors: amounts falling due within one year	14	(2,618)	(2,610)	(1,851)	(1,840)
Net current assets		4,455	4,455	4,553	4,553
Total assets less current liabilities					
		103,201	103,201	56,839	56,839
Creditors: amounts falling due after more than one year		(74)	(74)	(74)	(74)
Provisions for liabilities	15	(67)	(67)	(67)	(67)
Net assets excluding pension scheme liability		103,060	103,060	56,698	56,698
Defined benefit pension scheme liability	22	(7,743)	(7,743)	(3,976)	(3,976)
Total net assets		95,317	95,317	52,722	52,722
Restricted funds					
. Fixed assets fund	16	98,918	98,918	54,335	54,335
. General fund	16	2,781	2,781	1,275	1,275
. Pension reserve	16	(7,743)	(7,743)	(3,976)	(3,976)
Total restricted funds		93,956	93,956	51,634	51,634
Unrestricted funds					
. General fund	16	483	483	588	588
. Designated funds	16	877	877	500	500
Total funds		95,317	95,317	52,722	52,722

The financial statements on pages 45 to 77 were approved by the Trustees, and authorised for issue on 13th December 2021 and are signed on their behalf by:



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

Consolidated statement of cash flows

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	2,982	(178)
Cash flows from investing activities	B	(2,465)	701
Cash flows from financing activities	C	92	(20)
Change in cash and cash equivalents in the year		609	1,436
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		4,356	2,920
Cash and cash equivalents at 31 August 2021	D	4,965	4,356

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

	2021 £'000	2020 £'000
Net income for the year (as per the statement of financial activities)	44,680	7,253
Adjusted for:		
Depreciation (note 11)	2,076	1,254
Transfer in of land and buildings (note 20)	(42,307)	(6,854)
Transfer in of pension (asset) liability on conversion (note 20)	264	1,638
Other transfer in on conversion (note 20)	(212)	933
Capital grants from DfE and other capital income	(3,797)	(3,342)
Non-capital Devolved Formula Capital spend	—	51
(Gain)/loss on disposal of fixed assets	—	(1)
Interest receivable (note 3)	(1)	(7)
Defined benefit pension scheme cost less contributions payable (note 24)	1,752	(42)
Defined benefit pension scheme finance cost (note 24)	(88)	67
Increase in debtors	(60)	(268)
Increase in creditors	675	73
Net cash (used in) provided by operating activities	2,982	(178)

B. Cash flows from investing activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments (note 3)	1	7
Purchase of tangible fixed assets (note 11)	(6,263)	(2,648)
Capital grants (note 1)	3,797	3,342
Net cash used in investing activities	(2,465)	701

C. Cash flows from financing activities

	2021 £'000	2020 £'000
Cash inflows from new borrowing	92	—
Repayments of borrowing	—	(20)
Net cash used in financing activities	92	(20)

D. Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	4,965	4,356
Total cash and cash equivalents	4,965	4,356

E. Analysis of changes in net debt

Group	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	4,356	512	4,868
Loans falling due within one year	18	—	18
Loans falling due after more than one year	74	—	74
Total	4,448	512	4,960

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 2020-21 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.

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 benefitted from the ESFA's Free School Building Programme for the construction of Croxley Danes School. The Trust did not recognise the funding income in relation to the school build in its accounts, however does recognise in the year ended 31 August 2021 the introduction of the value of the school into the Trust as a donated asset.

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 and from another Academy Trust

Where assets and liabilities are received on conversion of a school and transferred from the Local Authority to the Trust, or an existing academy school joins 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.

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 13. 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 14 and 15. 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 DfE 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

As detailed in note 17, 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	2021 Total funds £'000	2020 Total funds £'000
Capital grants					
. ESFA	—	—	3,797	3,797	3,342
Donated fixed assets	—	—	26,438	26,438	—
Other donations	270	—	—	270	352
2021 Total funds	270	—	30,235	30,505	3,694

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

2 Other trading income

	Un-restricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities	104	—	104	89
Music & LAMDA income	194	—	194	147
Training income	—	237	237	418
STSS Income	—	82	82	39
Coach income	39	—	39	41
Central Services work outside the Trust	8	—	8	57
Other income	202	—	202	247
2021 Total funds	547	319	866	1,038

2 Other trading income (continued)

	<i>Un-restricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Hire of facilities</i>	89	—	89
<i>Music & LAMDA income</i>	147	—	147
<i>Training income</i>	—	418	418
<i>STSS Income</i>	—	39	39
<i>Coach income</i>	41	—	41
<i>Central Services work outside the Trust</i>	57	—	57
<i>Other income</i>	247	—	247
<i>2020 Total funds</i>	581	457	1,038

3 Investment Income

	<i>Un-restricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2021 Total funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Interest receivable</i>	1	—	1	7
	1	—	1	7

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Interest receivable</i>	7	—	7
	7	—	7

4 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020* Total funds £'000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	23,946	23,946	19,733
Other DfE / ESFA grants				
· UIFSM	—	50	50	45
· Start-up grants	—	121	121	153
· Pupil Premium	—	724	724	521
· Others	—	2,212	2,212	1,541
	—	27,053	27,053	21,993
Other government grants				
Local authority grants	—	781	781	550
	—	781	781	550
Other income from the academy trust's operational activities (catering and trip income)	1,080	—	1,080	1,288
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	447	447	—
Other DfE/ESFA COVID-19 funding	—	—	—	—
COVID-19 additional funding (non-DfE /ESFA)				
Coronavirus Job Retention Scheme grant	—	—	—	28
Other COVID-19 funding	—	142	142	10
	—	589	589	38
Total funds	1,080	28,423	29,503	23,869

The trust received £447,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £345,000, with the remainder to be spent in 2021-22.

The trust also received £142,000 of income from the ESFA to fund mass Covid testing, with this amount classed as 'Other non-DfE/ESFA COVID-19 funding' in note 4 above.

*Following the reclassification in the Academies Accounts Direction 2020-21 of some grants received from the DfE and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>DfE / ESFA revenue grants</i>			
. General Annual Grant (GAG) (2020 – 4 secondary schools for full year)	—	19,733	19,733
. Start-up grants	—	153	153
. Other DfE / ESFA grants	—	2,107	2,107
	—	21,993	21,993
<i>Other government grants</i>			
. Local authority grants	—	550	550
. Other grants / Special educational projects	—	—	—
	—	550	550
<i>Other income from the academy trust's operational activities (catering and trip income)</i>	1,288	—	1,288
	1,288	—	1,288
<i>Exceptional government funding</i>			
Coronavirus Job Retention Scheme grant	—	28	28
Other COVID-19 funding	—	10	10
	—	38	38
Total funds	1,288	22,581	23,869

The academy trust was 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.

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.

5 Expenditure

	Non pay expenditure			2021	2020
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds £'000	Total funds £'000
Expenditure on raising funds					
. Direct costs	192	—	6	198	158
. Support costs	36	16	22	74	57
Trust's educational expenditure operations					
. Direct costs	18,366	2,076	2,642	23,084	19,475
. Allocated support costs	4,245	1,870	2,542	8,657	7,174
Teaching School	75	—	8	83	107
Total funds	22,914	3,962	5,220	32,096	26,971

	Non pay expenditure			2020
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds £'000
Expenditure on raising funds				
. Direct costs	143	—	15	158
. Support costs	29	12	16	57
Trust's educational expenditure operations				
. Direct costs	15,848	1,254	2,373	19,475
. Allocated support costs	3,530	1,523	2,121	7,174
Teaching School	70	—	37	107
Total funds	19,620	2,789	4,562	26,971

	2021 £'000	2020 £'000
Net income (expenditure) for the year includes:		
Operating lease rentals	85	91
Gain on disposal of fixed assets	—	(1)
Depreciation	2,076	1,252
Fees payable to auditor for:		
. Statutory audit work	30	21
. Other services (accountancy and internal audit)	10	4

6 Charitable activities – Trust’s educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	23,084	19,475
Support costs	8,657	7,174
	31,741	26,649

	2021 Total funds £'000	2020 Total funds £'000
Analysis of support costs		
Support staff costs	4,245	3,530
Technology costs	269	260
Premises costs	1,870	1,523
Legal costs – conversion	27	26
Legal costs – other	8	12
Other support costs (<i>ie: consultancy, rent, coaches</i>)	2,159	1,767
Governance (<i>legal, professional, audit</i>)	79	56
Total support costs	8,657	7,174

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 as set out in the consolidated statement of financial activities (on page 45) between restricted and unrestricted funds:

		Restricted funds			
	Notes	Un-restricted general fund £'000	General fund £'000	Fixed assets fund £'000	2020 Total funds £'000
Income from:					
Donations and capital grants	1	352	—	3,342	3,694
Transfer on conversion	22	293	(1,638)	6,854	5,509
Charitable activities					
• Funding for the Trust's educational operations	4	1,288	22,581	—	23,869
• Teaching schools	25	67	40	—	107
Other trading income	2	581	457	—	1,038
Investments	3	7	—	—	7
Total income		2,588	21,440	10,196	34,224
Expenditure on:					
Raising funds	5	215	—	—	215
Charitable activities					
• Trust's educational operations	5	2,675	22,669	1,305	26,649
• Teaching schools	5,25	67	40	—	107
Total expenditure		2,957	22,709	1,305	26,971
Net income (expenditure) for the year		(369)	(1,269)	8,891	7,253
Transfers between funds	18	352	(948)	596	—
Other recognised gains and losses:					
Actuarial (losses) gains on defined benefit pension scheme	24	—	189	—	189
Net movement in funds		(17)	(2,028)	9,487	7,442
Reconciliation of funds					
Total fund balances brought forward at 1 September		1,105	(673)	44,848	45,280
Total fund balances carried forward at 31 August		1,088	(2,701)	54,335	52,722

8 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	16,193	14,515
Social security costs	1,719	1,444
Pension costs	4,848	3,326
Apprenticeship levy	70	56
	22,830	19,341
Supply staff costs	84	279
Staff restructuring costs	—	—
	22,914	19,620

(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	2021 FTE	2020 FTE	2021 Actual	2020 Actual
Teachers	259	222	287	273
Administration and support	140	113	198	156
Management	33	28	39	31
	432	363	524	460

(c) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	9	13
£70,001 - £80,000	9	1
£80,001 - £90,000	1	2
£90,001 - £100,001	3	1
£100,001 - £110,000	1	1
£130,001 - £140,000	—	1
£150,0001 - £160,000	1	—

(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 £2,960,098 (2020: £2,608,694).

8 Staff (continued)

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:

	2021 £	2020 £
J A Valentine CEO and Trustee		
Remuneration	155k-160k	135k – 140k
Employer's pension contributions	—	—

During the year ended 31 August 2021, £nil expenses were reimbursed to Trustees (2020: £9.60 to one Trustee). 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 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 Central services

The group has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- IT services
- Careers support; and
- Post 16

The central charges for these services on the following basis: Between 3% and 5% (2020 – between 3% and 5%) of General Annual Grant funding.

The actual amounts charged during the year were as follows:

	2021 £'000s
Academies:	
St Clement Danes School	377
Croxley Danes School	204
Chancellor's School	237
Onslow St Audrey's School	181
De Havilland Primary School	78
Elstree Screen Arts School	32
Central Trust	5
	1,114

10 Tangible fixed assets

Group and Trust	Assets under construction £'000	Freehold land and buildings £'000	Leasehold 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 2020	1,713	56,461	—	152	935	662	59,923
Transfers on conversion	—	13,103	—	1,686	—	763	15,552
Additions (including donated assets)	5,934	86	30,610	14	8	221	36,873
Transfers	(2,036)	2,036	—	—	—	—	—
At 31 August 2021	5,611	71,686	30,610	1,852	943	1,646	112,348
Depreciation							
At 1 September 2020	—	6,890	—	97	418	232	7,637
Transfer on conversion	—	1,498	—	1,686	—	705	3,889
Charge in year	—	1,153	605	28	95	195	2,076
A 31 August 2021	—	9,541	605	1,811	513	1,132	13,602
Net book value							
At 31 August 2021	5,611	62,145	30,005	41	430	514	98,746
At 31 August 2020	1,713	49,571	—	55	517	430	52,286

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.

The inherited freehold building of De Havilland Primary School was valued by Carter Jonas at 1 October 2020, being the date that the ownership of the building transferred to the Trust. The freehold building of Croxley Danes Secondary School which is included within donated assets income was valued by Carter Jonas at 1 September 2020, being the date that the ownership of the building transferred to the Trust. The value of the fixed assets of Elstree Screen Arts Academy transferred in at 1 April 2021 was taken from the balance sheet of the audited financial statements for the period ending that date.

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

11 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.

12 Fixed asset investments

The Trust holds one share of £1 in each of its two wholly owned trading subsidiary companies: Danes Educational Trust The Partnership Limited (formerly 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.

13 Debtors

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	180	114	179	122
VAT recoverable	650	167	653	167
Amount due from subsidiary undertakings	—	—	105	—
Other debtors	43	122	43	122
Prepayments and accrued income	1,235	1,645	1,216	1,632
	2,108	2,048	2,196	2,043

14 Creditors: amounts due within one year

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other loans (note 15)	18	20	18	20
Trade creditors	190	244	189	240
Taxation and social security	452	—	452	—
ESFA creditor: abatement of GAG	—	26	—	26
Amount due to subsidiary	—	—	—	9
Other creditors	565	89	565	89
Accruals and deferred income	1,393	1,472	1,386	1,456
	2,618	1,851	2,610	1,840
Deferred income (included above)				
Deferred income at 1 September	436	392	423	392
Amounts released from previous years	(436)	(392)	(423)	(392)
Resources deferred in the year	337	436	337	423
Deferred income at 31 August	337	436	337	423

15 Creditors: amounts falling due in more than one year

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans	74	74	74	74

The Trust has five Salix loans across its schools - A "Salix" loan is a 0% loan awarded to the Trust in combination with an Academies Capital Maintenance Award. As at 31 August 2021 there was a total of £91,000 loan payments outstanding in respect of six loans, five of which were at Onslow St Audrey School and one of which was at St Clement Danes School.

Group and Trust	2021 £'000	2020 £'000
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 Spring 2022 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 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	902	23,946	(21,800)	(650)	2,398
Pupil Premium	42	656	(698)	—	—
UIFSM	—	50	(50)	—	—
Catch-up premium	—	447	(377)	—	70
Other non-DfE/ESFA COVID-19 funding	—	142	(142)	—	—
Other grants	69	2,757	(2,796)	—	30
LA government grants	4	781	(785)	—	—
Training activity	226	237	(188)	—	275
STSS funds	32	82	(106)	—	8
Pension reserve	(3,976)	(568)	(1,113)	(2,086)	(7,743)
Total restricted general funds	(2,701)	28,530	(28,055)	(2,736)	(4,962)
Transfers on conversion/joining	—	15,869	—	(15,869)	—
Donated fixed assets	—	26,438	—	(26,438)	—
Fixed Assets net book value	52,286	3,797	(2,076)	44,735	98,742
Unspent Fixed Asset Funds (net)	2,139	—	(95)	(1,778)	266
Fixed Asset Loans	(90)	—	—	—	(90)
Restricted fixed asset funds	54,335	46,104	(2,171)	650	98,918
Unrestricted funds					
Unrestricted general Trust funds	588	886	(801)	—	673
Herts & Bucks Teaching School Ltd. (now Danes Educational Trust The Partnership Ltd.)	—	84	(84)	—	—
DET Trading Limited	—	92	(92)	—	—
Other designated funds	500	1,080	(892)	—	688
Total unrestricted funds	1,088	2,142	(1,869)	—	1,361
Total funds	52,722	76,776	(32,095)	(2,086)	95,317

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

16 Funds (continued)

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 2021.

Restricted other funds

These funds represent grants received from other organisations for the academies' 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 2021 £'000	Total 2020 £'000
St Clement Danes School	1,338	798
Croxley Danes School	210	210
Chancellor's School	960	859
Onslow St Audrey's School	463	153
De Havilland Primary School	212	—
Elstree Screen Arts School	548	—
Central Trust	411	343
	4,142	2,363
Restricted fixed asset fund	98,918	54,335
Pension reserve	(7,743)	(3,976)
Total funds	95,317	52,722

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	6,195	759	476	1,245	8,675
Croxley Danes School	2,682	375	205	944	4,206
Chancellor's School	4,735	588	302	933	6,558
Onslow St Audrey's School	3,473	657	336	615	5,081
De Havilland Primary School	1,451	183	95	249	1,978
Elstree Studio Arts School	724	111	79	177	1,091
Central services	238	1,691	106	272	2,307
Trust	19,498	4,364	1,599	4,435	29,896

16 Funds (continued)

Comparative information

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

<i>Group and Trust</i>	<i>Balance at 1 September 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2020 £'000</i>
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)
Restricted fixed asset funds					
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

17 Analysis of net assets between funds

Group	Un-restricted	Restricted	Restricted	Total 2021 £'000	Total 2020 £'000
	funds £'000	General Funds £'000	Fixed Asset Fund £'000		

Fund balances at 31 August 2021 are represented by:

Tangible fixed assets	—	—	98,746	98,746	52,286
Current assets	1,360	5,541	172	7,073	6,393
Current liabilities	—	(2,618)	—	(2,618)	(1,840)
Non-current liabilities	—	(141)	—	(141)	(141)
Pension scheme liability	—	(7,743)	—	(7,743)	(3,976)
Total net assets	1,360	(4,961)	98,918	95,317	52,722

Group	Un-restricted	Restricted	Restricted	Total 2020 £'000
	funds £'000	General Funds £'000	Fixed Asset Fund £'000	

Fund balances at 31 August 2020 are represented by:

Tangible fixed assets	—	—	52,286	52,286
Current assets	1,088	3,166	2,139	6,393
Current liabilities	—	(1,750)	(90)	(1,840)
Non-current liabilities	—	(141)	—	(141)
Pension scheme liability	—	(3,976)	—	(3,976)
Total net assets	1,088	(2,701)	54,335	52,722

Trust	Un-restricted	Restricted	Restricted	Total 2021 £'000
	funds £'000	General Funds £'000	Fixed Asset Fund £'000	

Fund balances at 31 August 2021 are represented by:

Tangible fixed assets	—	—	98,746	98,746
Current assets	1,360	5,533	172	7,065
Current liabilities	—	(2,610)	—	(2,610)
Non-current liabilities	—	(141)	—	(141)
Pension scheme liability	—	(7,743)	—	(7,743)
Total net assets	1,360	(4,960)	98,918	95,317

18 Capital commitments

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	2,966	3,457

19 Commitments under operating leases

Operating leases

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

	2021 £'000	2020 £'000
Motor vehicles, plant and equipment		
Amounts due within one year	90	85
Amounts due between two and five years inclusive	86	116
	176	201

20 Transfers from another academy trust and on conversion

During the year, two new schools joined the Trust, being De Havilland School and Elstree Screen Arts Academy.

De Havilland School was previously under Local Authority control and converted to academy status at the same time as joining the network, on 1 October 2020. The transfer to the Trust (for £nil consideration) has been accounted as a gift. The assets and liabilities transferred have been recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the identifiable assets and liabilities transferred in relation to the school and an analysis of their recognition in the statement of financial activities.

	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Tangible fixed assets				
Freehold land and buildings	—	—	4,204	4,204
Budget surplus on other LA funds	212	—	—	212
LGPS pension (deficit)	—	(281)	—	(281)
Net assets	212	(281)	4,204	4,135

Elstree Screen Arts Academy was already an academy trust and joined Danes Educational Trust on 1 April 2021. The transfer to the Trust (for £nil consideration) has been accounted for as a gift. The assets and liabilities transferred have been recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the identifiable assets and liabilities transferred in relation to the school and an analysis of their recognition in the statement of financial activities.

20 Transfers from another academy trust and on conversion (continued)

	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	11,665	11,665
Budget surplus on other school funds	—	304	—	304
LGPS pension (deficit)	—	(287)	—	(287)
Net assets	—	17	11,665	11,682

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 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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 £4,159,202 (2020: £4,572,630).

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 2021	At 31 August 2020
Principal Actuarial Assumptions		
Rate of increase in salaries	3.3%	2.6% / 2.7%
Rate of increase for pensions in payment / inflation	2.9%	2.2% / 2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.9%	2.2% / 2.3%

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 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	22.8
<i>Retiring in 20 years</i>		
Males	23.2	24.1
Females	26.2	25.5

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate +0.5%	411	1,356
Salary increase rate +0.5%	10	62
Pension increase rate +0.5%	396	1,276

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	5,480	3,951
Bonds	2,998	2,609
Property	1,137	671
Cash	724	225
Other	—	—
Total market value of assets	10,339	7,456
Present value of scheme liabilities		
Funded	(18,083)	(11,432)
Deficit in the scheme	(7,744)	(3,976)

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost	1,887	1,366
Net interest cost	(88)	(67)
Total operating charge	1,799	1,299
Analysis of pension finance income (costs)		
Expected return on pension scheme assets	145	120
Interest on pension liabilities	(233)	(187)
Total amount recognised in the SOFA	(88)	(67)

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2020	11,432	5,728
Transferred in on conversion	1,678	3,982
Current service cost	1,887	1,366
Interest cost	233	187
Employee contributions	221	182
Actuarial (gain)/loss	2,767	166
Benefits paid	(135)	(179)
At 31 August 2021	18,083	11,432

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Trust's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	7,455	3,926
Transferred in on conversion	803	2,344
Interest income	145	120
Actuarial gain	988	355
Benefits paid	(135)	(179)
Employer contributions	862	707
Employee contributions	221	182
At 31 August 2021	10,339	7,455

23 Teaching School Trading Account

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Direct income				
Teaching schools grants	52		40	
Other income				
Fundraising and other trading grants	32		67	
Total income		84		107
Direct expenditure				
Direct costs	4		(30)	
Staff costs	42		(41)	
Other direct costs			—	
		(46)		(71)
Other expenditure				
Support Staff costs	33		(29)	
Technology costs	2		(3)	
Other support costs	1		(2)	
Share of governance costs	1		(2)	
		(37)		(36)
Total expenditure		(83)		(107)
Transfer between funds excluding depreciation		(1)		
Surplus from all sources		—		—
Teaching schools balances at 31 August 2021		—		—

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:

	2021 £000	2020 £'000
St Clement Danes Holborn Estate Charity	434	210
St Clement Danes School Anchor Fund	150	93

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 28 – Fundraising for more details.

Central Services has two Services Level Agreements (SLA's) and received the following income during 2020-21.

	2021 £000	2020 £'000
Elstree Arts Academy (formally Elstree UTC)	45	12
West Herts Schools Trust	66	12

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 2021 the Trust received £26,603 (2020: £27,357) and disbursed £26,931 (2020: £18,621 from the fund. In addition, a £11,445 bursary credit was transferred in with Elstree Screen Arts Academy. As a result, an amount of £46,423 (2020: £35,207) is included in creditors relating to undistributed funds that are repayable to the ESFA.

26 Trading subsidiaries

The wholly owned trading subsidiary, Danes Educational Trust The Partnership Limited (formerly Herts & Bucks Teaching School Alliance Limited), 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. The Trust owns the entire share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below:

26 Trading subsidiaries (continued)

The summary financial performance of the subsidiary alone is:

	2021 £'000	2020 £'000
Turnover	84	107
Cost of Sales	(42)	(71)
Gross profit	42	36
Administrative expenses	(41)	(36)
Profit on ordinary activities before taxation	1	—
Gift aid donation to Danes Educational Trust	(1)	—
Profit on ordinary activities after taxation	—	—

The assets and liabilities of the subsidiary were:

	2021 £'000	2020 £'000
Current assets	26	18
Current liabilities	(26)	(18)
Total net assets	—	—

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:

	2021 £'000	2020 £'000
Turnover	92	89
Cost of sales	(82)	(74)
Gross profit	10	15
Administrative expenses	(10)	(15)
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:

	2021 £'000	2020 £'000
Current assets	90	10
Current liabilities	(90)	(10)
Total net assets	—	—

27 Events after the end of the reporting period

Ascot Road and Lanchester Primary in Watford and Jupiter Primary in Hemel Hempstead joined the Trust on the 1st September 2021.

