

Company Registration Number: 10264819 (England & Wales)

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Governance Statement	13 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditors' Report on the Financial Statements	22 - 24
Independent Reporting Accountant's Report on Regularity	25 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 60

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Briggs R Galloway T Tuohy
Trustees	L Drummond, Vice Chair ¹ S Evans (resigned 6 October 2020) ² H Randall (resigned 23 September 2019) L Petford ¹ A Nettleship, Chief Executive Officer ^{1,2} N Sarlaka (resigned 23 September 2019) D Bowles (appointed 9 December 2019) ² P Scarsbrook (resigned 3 September 2019) J Guy, Chair of Trustees ² R Waring ² D Hart (resigned 2 December 2019)
	¹ Audit & Finance ² Learning & Standards
Company registered number	10264819
Company name	Discovery Multi Academy Trust
Principal and registered office	Beechwood Primary Academy Rockfield Avenue Southway Plymouth Devon PL6 6DX
Company secretary	S Buckle (to 4 November 2019) H Hawkes (from 11 November 2019)
Accounting Officer	A Nettleship
Senior management team	A Nettleship, Chief Executive Officer C Howells, Chief Financial Officer D Butcher, HR Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank PLC 8 Royal Parade Plymouth PL1 1TX

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Solicitors	Browne Jacobson LLP 1st Floor The Mount 72 Paris Street Exeter EX1 2JY
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**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and Auditors' Report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 3 primary Academies for pupils aged between 3 and 11 in Plymouth, Devon. Its Academies have a combined pupil capacity of 1,155 (plus 88 nursery places) and had a roll of 1074 in the school Spring census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 6th July 2016 and was opened as an Academy on 1st September 2016. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Discovery Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Discovery Multi Academy Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £25m on any one claim.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 10 Trustees who are appointed by the Members
- a minimum of 2 Parent Trustees (in the event that no Parent Local Governors are established in the Local Governing Board)
- co-opted Trustees who are appointed by the Trustee Board (the Trustees may not co-opt an employee of the Academy Trust as a co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of a total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee)
- the Chief Executive Officer, ex officio

Other than the Chief Executive Officer (ex officio), Trustees are appointed for a four year period and may be reappointed at the end of their term.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a formal Trustee induction programme available from the Clerk to the Trustees.

The training and induction provided for new Trustees will always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Every Trustee is provided with the Governance Protocol and the Code of Conduct, available from the Clerk to the Trustees, prior to appointment. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

In accordance with our funding agreement the Trustees of the MAT are responsible for ensuring that high standards of corporate governance are maintained. They exercise their powers and functions with a view to fulfilling a strategic leadership role in the running of the Academies. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It is responsible for determining, monitoring and keeping under review the policies, plan and procedures within which the MAT operates. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Chief Executive Officer is also the Academy Trust's Accounting Officer and Executive Headteacher and with the support of the Leadership Team is responsible for the execution of any strategic decisions taken by the Board of Academy Trustees and oversees the work of the Heads of School within the Academies.

There are 2 Committees as follows:

- Audit and Finance Committee – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the responsible officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee to monitor, evaluate and review all risks which may affect the Academy Trust.
- Learning and Standards Committee – this meets at least three times a year and is responsible for advising the Board on matters relating to the Trust's curriculum, quality and standards. It monitors data on attainment and achievement, school improvement work and leadership, leadership standards and impact, governance effectiveness and the overall performance of the Academies. It also incorporates SEN and inclusion, partnership working, admissions, safeguarding arrangements, and community matters.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive Officer and Clerk to the Trustees, and to approve the Strategic Business Plan and budget.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Senior Management Team (SMT). The SMT comprises the Chief Executive Officer, Heads of School, Assistant Heads of School and the Central Office team. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The central Local Advisory Board (LAB) continues to operate across the three schools effectively following its establishment in 2017-18. The central LAB was formed following an internal review of governance in the interests of procedural efficiency, effectiveness and impact. The LAB continues in its responsibility for overseeing the teaching and learning and ensuring that the schools' plans for improvement are achieved. The LAB continues to determine its foci for monitoring through scrutiny of the School Improvement Plans and this is reported back to both the Heads of School and the Board through formalised reporting.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the Academy in charge of directing, controlling, running, and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of the Academies Leadership Team is set according to the range of the school. The Academy Trust currently applies the Academy Teachers' Pay and Conditions document published annually by the Department for Education as well as the locally agreed pay policy for the Local Authority that has been approved and adhered to. In addition, the Academy Trust also applies the National Living Wage as suggested by the Living Wage Foundation.

The Academy Trust has adopted an appraisal/performance management policy. All staff, including the SLT within each school have clear performance targets including pupil progress. If all targets are met and clear evidence is provided, the staff member receives an incremental point in line with the Academy Trust's Pay Policy authorised by the Chief Executive Officer. The Chief Executive Officer's performance management targets are set and reviewed by the Board of Trustees in line with Academy Trust priorities.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2020.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of Discovery Multi Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing primary schools, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on STEM and inclusive education.

The aims of the Academy during the year ended 31 August 2020 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to ensure that all children are able to thrive through quality learning experiences ensuring their readiness for the next stage in their learning
- provide a curriculum that allows children to develop the skills and knowledge to become resilient, reflective and creative thinkers
- through STEM, children are given the opportunities to collaborate and fulfil their wider role in the community
- to ensure that children are able to make connections in learning, reflecting and evaluating on how they learn
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop links with industry and commerce in order to develop our focus on Science, Technology, Engineering and Maths
- to develop the Academy's capacity to manage change

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness
- to further enhance city-wide inclusion support through the Edison Centre and developing our knowledge and skills to achieve Trauma Informed Organisation status

Key priorities for the year are contained in the Strategic Business Plan for the Trust as well as our School Improvement Plans. Within the overall objectives set, the following were included in line with the National School's Commissioner's Characteristics of an Effective Academy Trust:

- Achievement: Ambitious Trust wide objectives were set to improve attainment and progress at every key stage across the Academies
- Performance Management / Accountability: Clear systems and processes were set up to ensure that all members of the organisation were working towards achieving our priorities with clear paths of accountability
- Governance: To develop a clear, delegated framework to enable governance at all levels to be effective, fulfilling their responsibilities
- School Improvement Process: To ensure that leaders in Trust schools could articulate and evidence the impact of their leadership and could effectively implement changes to meet school improvement needs
- To continue to provide high quality education and support during the Covid-19 pandemic

Key activities and targets were identified in the Trust's Strategic Business Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- the development of a Trust curriculum to ensure that all pupils are able to fully reach their potential through experiential learning
- review of staffing levels in light of budgetary pressure
- further development of the school systems to support administration and communication
- development and embedding of key financial and administrative procedures
- adapting the implementation of systems for tracking and monitoring pupil attainment, behaviour and health and safety
- range of activities to promote community and family adhesion and support
- accessing and responding to education changes resulting from Covid-19

To ensure that standards are continually assessed, the Academy Trust operates a rigorous programme of monitoring which is undertaken by the Chief Executive Officer/Executive Headteacher, Heads of School and the Leadership Team.

Continuing professional development for staff across the Academy Trust has been very successful with all teaching staff involved in focused training, working with both internal and external parties. This has enabled Discovery MAT to develop working practices outside of our organisation leading to positive outcomes for pupils and improved standards across the Trust.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Plymouth and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of Science, Technology, Engineering and Maths.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Academy provides facilities for recreational and other leisure time occupations for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy Trust we have a duty to support other MAT's, the Local Authority and other organisations.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The total number of students within the Trust continues to grow, with the majority of year groups across the Academies full. The Trust has continued to maintain and enhance staffing with the extension of our pastoral support across the Academies, as well as further developing central roles to support the Academies. This has enhanced our staff capacity, providing training and support to staff, parents and pupils. The Trustees continue to ensure that the Academies undertake a rigorous planning, monitoring and review cycle, modifying our business to ensure that the pupils achieve the best outcomes within a viable business model. The Trustees work with the Local Advisory Board, who support the Academies at a local level, to ensure accountability.

As a result of the Covid-19 pandemic, statutory assessments were not undertaken in the Summer of 2020, and the majority of our children were learning remotely from March 2020. Consequently, no Trust or national data is available this year. However, school-based assessments up to March indicated that pupils were more positively engaged in our reviewed curriculum and that progress was at a higher rate than in previous years.

The focus for the academic year 2019-2020 was on the implementation of the new curriculum, setting up assessment for learning systems, and the training and achievement of the Trauma Informed Organisation Award, the first Trust in the country to do this.

All of our Academies in the last year have provided a range of opportunities and activities for pupils to extend their experiences. They have all continued to provide residential experiences, visits and trips, as well as being given the opportunity to undertake charity events and fundraising. This included representation of the Trust at such events as the Holocaust Event, Plymouth Field Gun and the development of the 'Mini Police' programme.

Learning experiences continued to be developed with extended instrument provision and tuition in music, the development of sporting competitions and our engagement with the DfE's Nature Friendly Schools project. Working with Plymouth University, the Trust is part of an Erasmus project as well as Connecting Classrooms, a programme that supports learning links across the world.

Though the development of 'House days' learning has been extended across the age ranges, allowing the Academies to focus on key areas of the curriculum including Science and Art.

The Trust's plan to support the development of staff was extended to support professional qualifications as well as whole Trust development. Two staff became Trauma Informed Schools practitioners, and three staff undertook SEN Qualification status. Regular training across the Trust, as well as working in partnership with other organisations, including teaching schools, provided a wider opportunity for development. During the period of Covid-19 all staff continued their CPD programme, further developing staff capacity. This included ICT system training, science of learning, childhood bereavement and Trauma Informed Practise updates.

The Trust continues to support its PTFA organisations and those parents who are in the armed services. Throughout the year there have been various events to support the pupil's understanding of fundraising as well as providing links across the city to support larger events.

Edison has continued to prosper and grow with support provided to schools both in and outside of the city. Professional development was also developed to support other schools in developing their inclusion and trauma methodologies.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

During the period of Covid-19 lockdown our schools remained 'open' with a combination of blended learning provided through our on-line platform as well as on-site provision. As a historic tool, our on-line platform enabled a smooth transition for learning, allowing our pupils to access remote learning quickly and effectively. The Trust leaders reviewed this provision continually, as well as monitoring the engagement of pupils to ensure its effectiveness and accessibility.

Those pupils who were deemed to be vulnerable, or those whose parents were key workers, continued to be offered education on site, including during the traditional school holidays. Communication and engagement with pupils and parents at home was high, with staff across the Trust undertaking a range of activities to support them. From June the Trust welcomed back as many pupils as possible and further tailored those learning remotely, providing assessment opportunities to gauge learning prior to their return in September 2020.

During the year the capital grant received for the new roof at Weston Mill was completed, and a new bid to enhance fire compliance was also successful. This start has been delayed until autumn 2020. The Trust implemented the transition to a new computer system as well as updating significant ICT infrastructure to support this during the year.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £605,544 was carried forward representing 14.8% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers are consistent and it is anticipated that this number will continue to rise.

The following KPI's were set at the start of the year:

	Target	Actual
GAG carry forward %	5.0	14.8%
Pupil to teacher ratio	26.0	27:1
Teaching to non-teaching staff ratio	0.7	0.6
Total income per pupil	£4,527	£5,204
Total GAG per pupil	£3,618	£3,833
Ratio of GAG to total income	80.0	73.6
Staff costs per pupil	£3,747	£3,917
Ratio of staff costs to income	77.0	75.3
Ratio of pension cost to staff costs	28.0	22.9
LGPS deficit per pupil	£2,778	£3,786
LGPS deficit per non-teaching staff member	£46,968	£57,600
Capital spend per pupil in the year	£53	£0
Net current assets/income ratio	0.1	0.2
TPS as a % of salaries	28.0	23.9

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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. Further details regarding the adoption of the Going Concern basis can be found in the Statement of Accounting Policies.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's Accounting Policies.

During the year the Academy Trust received the following:

- £376,742 in CIF bid funding for the replacement of fire doors and windows as well as a new alarm system at Weston Mill Community Primary Academy
- A number of smaller grants for various initiatives across the schools, including British Council Connecting Classrooms, ECT Outdoor Essentials, Erasmus funding and National Schools Breakfast Programme

During the year ended 31 August 2020, the Academy received total income of £5,542,485 and incurred total expenditure of £5,735,438. The net expenditure for the year was £192,953.

At 31 August 2020 the net book value of fixed assets was £12,603,731 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately one month of normal reoccurring expenditure. This would be approximately £435,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, fall in pupil numbers resulting in losing a class but not wanting to lose a teacher, a rise in pupil numbers meaning not enough funding to teach the pupils etc. Free reserves at 31 August 2020 are £724,173, above that of the reserves policy. It is the Trust's intention that some of these excess reserves will be spent investing in additional IT and staffing as the Trust manages the additional challenges of Covid-19.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

All funds were held in the current account of the Academy Trust. At any time these cash balances may have been used to meet short term requirements. The Board have an agreed Investment Policy which ensures that investment risk is properly and prudently managed.

Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Chief Executive Officer and Chief Financial Officer within strict guidelines approved by the Board of Trustees.

In the year ended 31 August 2020, the Academy Trust has opened a 32 Day Notice Deposit Account held with Lloyds Commercial Banking gaining interest on Trust reserves. The interest rate is 0.1% which is accrued daily.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Covid-19 – As the Trust continues to provide in-school education for all children, it recognises the additional risks associated with the pandemic; in particular, the impact upon standards, safeguarding and staffing. The level of impact on the schools is not able to be determined and will be managed by the Trustees as the pandemic develops.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The Academy has agreed a Risk Register. This has been discussed by Trustees and includes the financial risks to the Academy Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy Trust's numbers are increasing, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the Academy Trust formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Audit and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 27 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Board of Trustees follow the guidance of the Charity Commission and understand their role in being legally responsible for the charity's fundraising. Its legal duties of acting in the charity's best interest, managing its resources responsibly and acting with reasonable care and skill are at the forefront of its work. The Academy Trust continues to plan, supervise and protect its assets, ensuring that a strong management is in place which complies with the law and recognised standards. The Trustees review both internal and external reports to ensure that the organisation remains compliant and thereby protects the charity's reputation, money and assets.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

PLANS FOR FUTURE PERIODS

The key aims and objectives for the Trust are included in the Academy Trust's Strategic Business Plan.

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. This will be achieved through the continued development of the curriculum and ongoing staff development.

The Academy will continue to work with the Local Authority, other Trusts, and organisations to improve the educational opportunities for students in the wider community.

Following the notification of a successful capital funding bid, the Trust will commence the replacement of fire doors and windows as well as a new alarm system at Weston Mill Community Primary Academy. Further capital projects planned include new roofs at Oakwood Primary Academy and Beechwood Primary Academy and the development of energy efficient and money saving initiatives in line with the Trust's aims of reducing our costs and environmental impact.

We aim to sustain and continue to develop our staff, thereby providing additional support and capacity throughout our organisation.

During the year we are looking to further extend our capacity in developing Early Years as well as providing further city-wide support through the Edison Centre.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Board of Trustees on 14/12/20 and signed on their behalf,
by:


Julia Guy
Chair of Trustees

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Discovery Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
L Drummond, Vice Chair	8	9
S Evans	9	9
H Randall	0	1
L Petford	8	9
A Nettleship, Chief Executive Officer	9	9
N Sarlaka	0	1
D Bowles	8	8
P Scarsbrook	0	0
J Guy, Chair of Trustees	9	9
R Waring	6	9
D Hart	1	1

The Board has undergone some change in 2019/20 with the addition of a new Trustee and resignation of some Trustees who were unable to continue to devote the time necessary to offer strategic support to the Trust. Whilst the Board regularly reviews its membership and skills to ensure a breadth of knowledge and experience, the changes in 2019/20 have meant that the Board is now actively looking to recruit new Trustees to enhance expertise, particularly in Marketing.

The addition of a new Trustee in December 2019 has strengthened the Board's capacity and their impact has been seen over the course of the year. The Trust identified that in order to make its processes more efficient they have appointed a Learning and Standards Committee to monitor curriculum, quality and standards. The new Trustee brings a wealth of educational knowledge to support the Learning and Standards Committee.

Trustees have continued to support the development of the central Local Advisory Board (LAB) ensuring that there is a regular flow of communication between the Chairs of the Boards and the Chief Executive Officer. Trustees have been keen to ensure members of the LAB have sufficient support and training to be confident to carry out their duties.

The Board's objective for assessing and developing its own performance is ongoing. The Board are in the process of self-assessing against guidance from the National Governance Association. The Board have sought external advice and support when required to ensure processes have been thorough and tenable.

The Chief Financial Officer (CFO) works closely with the Chief Executive Officer, external advisors and the auditors. The CFO monitors the processes and systems in each Academy and prepares regular reports for the Board to monitor. Each school finance administrator is trained to use PS Financials. The CFO and CEO work closely with the accountants to prepare the end of year accounts and other annual reports.

The Trustees have appointed Griffin Accountants in line with the ESFA's guidance regarding a clear separation of duties between internal and external auditors, to carry out internal controls assurance work on behalf of the Audit and Finance Committee to help ensure that public funds are spent appropriately, mitigate the risk of fraud or irregular transactions and to help ensure that all Academies within the Trust follow the agreed processes and procedures. These ensure that the staff understand their individual and collective responsibility for sound financial management as well as compliance to the ESFA's Academies Financial Handbook.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Audit and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- review all aspects of Discovery Multi Academy Trust's financial performance and that of its constituent schools
- make proposals to the Board on major financial issues
- make decisions on certain financial matters within the terms of reference of the committee
- identify any possible issues arising from either the aggregated financial information or specific school vulnerabilities
- advise the Board on the adequacy and effectiveness of the Trust's systems of internal control, risk management and governance processes to ensure overall efficiency, effectiveness and value for money

During the year, 1 Trustee left the committee to join the newly formed Learning and Standards Committee. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Drummond, Vice Chair	2	3
L Petford, Chair	3	3
C Howells, Chief Financial Officer	3	3
A Nettleship, Chief Executive Officer & Accounting Officer	3	3

The Learning and Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- advise the Board on matters relating to the Trust's curriculum, quality and standards
- monitor data on attainment and achievement
- school improvement work and leadership
- leadership standards and impact
- governance effectiveness and the overall performance of the Academies
- also incorporating SEN and inclusion, partnership working, admissions, safeguarding arrangements and community matters

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Bowles, Chair	3	3
R Waring, Vice Chair	2	3
J Guy	2	3
S Evans	3	3
A Nettleship, Chief Executive Officer & Accounting Officer	3	3

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- robust financial governance and budget management
- value for money purchasing
- reviewing controls and managing risk
- considering allocation/targeting/use of resources
- challenging proposals and examining their effectiveness and efficiency
- deploying staff effectively
- reviewing quality of curriculum provision and quality of teaching
- outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote
- review opportunities for enhanced discounts and service improvement from office equipment and stationery providers
- reviewing the costs of locally purchased SLA's and developing Central staff to deliver greater value for a similar or lesser cost
- development of a finance structure that allows Academies to be supported by an experienced Central team meaning that key issues can be identified and resolved quickly

The resulting contracts mean that our Academies are now signed up to single service providers, which in addition to significant cost savings has also streamlined the day to day management of these activities within the Central team.

The Central team is now also better placed to ensure that the longer term performance standards are maintained through all Academies and has the collective power to positively influence providers if these fall below the agreed performance indicators. Contracts are monitored and proactively reviewed.

Further procurement activities will continue to focus on:

Improving educational results: The Trust has a constant focus on 'school improvement' and this means improving the educational results for all pupils. School improvement plans focus on improving educational results and sets the priorities and actions on a termly basis. The Trustees and LAB members have responsibility for the formation and monitoring of these plans and resources are assigned to ensure their completion.

Collaboration: The Heads of School meet weekly, and team and subject co-ordinators have developed strategies to support the focus on school improvement. It is now routine for schools to share practice across the Academy Trust, and to evaluate the effectiveness of these adaptations.

Quantifying improvements: The schools within the Academy Trust evaluate the effectiveness and impact of our improvement plans through an analysis of data, attendance, and behaviour. The Academy Trust focuses on performance improvement and actively looks for ways to drive down administrative costs, freeing up funds to target teaching and learning.

Attendance and behaviour: This is monitored across the Academy Trust and we have purchased systems to allow a detailed analysis to be regularly undertaken. We encourage our schools to be proactive in their relationship with parents and carers about attendance, behaviour and attainment.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

Better purchasing: We actively and robustly review all options when purchasing goods and services and the Central team supports the business and finance activities within each of the Academies. We have key personnel within the team supporting Finance, Personnel and Facilities Management

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Discovery Multi Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Audit and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- regular reviews by the Learning and Standards Committee of reports that advise the Board on matters relating to the Trust's curriculum, quality and standards
- 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

The Board of Trustees has considered the need for a specific internal audit function and has decided in line with the ESFA's guidance regarding a clear separation of duties between internal and external auditors to appoint Griffin Accountants to complete additional checks on financial controls.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

Governance & regularity

- Compliance with the Academies Financial Handbook
- Review of leases
- Trustee interests and related parties
- Gifts, hospitality and awards
- Governance details provided on trust website
- Audit committee

Financial budgeting and monitoring

- Trustee approval of trust budget
- Financial information provided to Trustees
- Evidence of financial challenge by Trustees
- Timely submission of ESFA returns
- Finance Committee meeting frequency and appropriate review
- Senior Leadership Team awareness of performance/budgets

Risk management

- Risk register and Trustee approval

Covid-19 impact

- Functions operating and impact on finance team
- Board meetings and management accounts preparation
- Staff cost savings and availability of additional income
- Authorisation of purchases
- Provision of free school meals during closure
- Risk recognition
- Trip cancellations

The internal auditor reports to the Board of Trustees through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Board of Trustees has also considered the work of external reports from commissioned officers from the Local Authority to review internal process and procedure checks within the finance and human resources administration teams to ensure effectiveness of the Academy Trust's controls.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 14/12/20
their behalf by:

and signed on

J Guy
Chair of Trustees



A Nettleship
Accounting Officer



**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



A Nettleship
Accounting Officer
Date: 14/12/20

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . 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 of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the charitable company will continue in business.

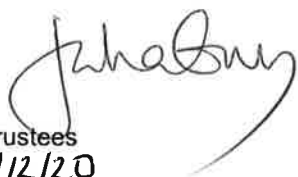
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

J Guy
Chair of Trustees
Date: 14/12/20



**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY MULTI ACADEMY TRUST**

OPINION

We have audited the financial statements of Discovery Multi Academy Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY MULTI ACADEMY TRUST (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY MULTI ACADEMY TRUST (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Nathan Coughlin FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 17/12/2020

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVERY
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Discovery Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF DISCOVERY MULTI ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Discovery Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2016 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVERY
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nathan Coughlin FCA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 17/12/2020

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	1,580	5,123	393,909	400,612	548,480
Charitable activities	4	235,494	4,851,224	-	5,086,718	4,966,879
Other trading activities	6	54,944	-	-	54,944	66,583
Investments	7	211	-	-	211	334
TOTAL INCOME		292,229	4,856,347	393,909	5,542,485	5,582,276
EXPENDITURE ON:						
Raising funds	8	1,722	-	-	1,722	2,236
Charitable activities	9	224,594	5,214,360	294,762	5,733,716	5,975,391
TOTAL EXPENDITURE		226,316	5,214,360	294,762	5,735,438	5,977,627
NET (EXPENDITURE)/ INCOME		65,913	(358,013)	99,147	(192,953)	(395,351)
Transfers between funds	19	(4,469)	185,780	(181,311)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		61,444	(172,233)	(82,164)	(192,953)	(395,351)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	27	-	(8,000)	-	(8,000)	(581,000)
NET MOVEMENT IN FUNDS		61,444	(180,233)	(82,164)	(200,953)	(976,351)
RECONCILIATION OF FUNDS:						
Total funds brought forward		57,185	(3,234,215)	13,044,731	9,867,701	10,844,052
Net movement in funds		61,444	(180,233)	(82,164)	(200,953)	(976,351)
TOTAL FUNDS CARRIED FORWARD		118,629	(3,414,448)	12,962,567	9,666,748	9,867,701

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 60 form part of these financial statements.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10264819**

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	12,603,731	12,898,493
CURRENT ASSETS			
Debtors	16	432,080	676,352
Cash at bank and in hand	24	1,128,650	644,981
		<u>1,560,730</u>	<u>1,321,333</u>
Creditors: amounts falling due within one year	17	(450,073)	(686,016)
NET CURRENT ASSETS		<u>1,110,657</u>	<u>635,317</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,714,388</u>	<u>13,533,810</u>
Creditors: amounts falling due after more than one year	18	(15,640)	(20,109)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>13,698,748</u>	<u>13,513,701</u>
Defined benefit pension scheme liability	27	(4,032,000)	(3,646,000)
TOTAL NET ASSETS		<u><u>9,666,748</u></u>	<u><u>9,867,701</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	12,962,567	13,044,731
Restricted income funds	19	617,552	411,785
		<u>13,580,119</u>	<u>13,456,516</u>
Restricted funds excluding pension liability	19	13,580,119	13,456,516
Pension reserve	19	(4,032,000)	(3,646,000)
Total restricted funds	19	<u>9,548,119</u>	<u>9,810,516</u>
Unrestricted income funds	19	<u>118,629</u>	<u>57,185</u>
TOTAL FUNDS		<u><u>9,666,748</u></u>	<u><u>9,867,701</u></u>

The financial statements on pages 27 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

J Guy
Chair of Trustees
Date: 14/12/20

The notes on pages 30 to 60 form part of these financial statements.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	21	(63,324)	92,708
CASH FLOWS FROM INVESTING ACTIVITIES	23	551,462	22,842
CASH FLOWS FROM FINANCING ACTIVITIES	22	(4,469)	(4,469)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		483,669	111,081
Cash and cash equivalents at the beginning of the year		644,981	533,900
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	1,128,650	644,981

The notes on pages 30 to 60 form part of these financial statements

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Discovery Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy Trust 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy 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.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy 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.

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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 EXPENDITURE

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

• **Expenditure on raising funds**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

Assets costing £1,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust was granted a 125 year lease for Beechwood Primary Academy and Oakwood Primary Academy and received the freehold for Weston Mill Community Primary from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property and freehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Long-term leasehold property	- 50/125 years straight line
Furniture and fixtures	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

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

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.

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES

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

1.9 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 16. Prepayments are not financial instruments.

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 17 and 18. 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.

1.10 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

1.12 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. 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 Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 27, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	1,580	5,123	-	6,703
Capital Grants	-	-	393,909	393,909
Revenue Grants	-	-	-	-
	<u>1,580</u>	<u>5,123</u>	<u>393,909</u>	<u>400,612</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	3,524	1,680	-	5,204
Capital Grants	-	-	533,314	533,314
Revenue Grants	-	9,962	-	9,962
	<u>3,524</u>	<u>11,642</u>	<u>533,314</u>	<u>548,480</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Education	82,206	4,851,224	4,933,430
Nursery	153,288	-	153,288
TOTAL 2020	<u>235,494</u>	<u>4,851,224</u>	<u>5,086,718</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Education	69,286	4,721,723	4,791,009
Nursery	175,870	-	175,870
TOTAL 2019	245,156	4,721,723	4,966,879

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DFE/ESFA GRANTS			
General Annual Grant	-	4,081,996	4,081,996
Other DfE/ESFA Group grants	-	707,580	707,580
	-	4,789,576	4,789,576
OTHER GOVERNMENT GRANTS			
High Needs	32,646	61,618	94,264
	32,646	61,618	94,264
OTHER FUNDING			
Other curriculum income	49,560	30	49,590
	82,206	4,851,224	4,933,430

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DFE/ESFA GRANTS			
General Annual Grant	-	3,952,818	3,952,818
Other DfE/ESFA Grants	-	722,830	722,830
	-	4,675,648	4,675,648
OTHER GOVERNMENT GRANTS			
High Needs	9,374	24,250	33,624
Other Government Grants non Capital	-	21,225	21,225
	9,374	45,475	54,849
OTHER FUNDING			
Other curriculum income	59,912	600	60,512
	69,286	4,721,723	4,791,009

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	4,497	4,497	9,245
Breakfast clubs	18,329	18,329	26,629
Learning resource income	24,777	24,777	13,214
Other	7,341	7,341	17,495
TOTAL 2020	54,944	54,944	66,583

All 2019 amounts relate to unrestricted funds.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	211	211	334

All 2019 amounts relate to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,722	1,722
Education:				
Direct costs	3,338,390	235,739	169,378	3,743,507
Support costs	787,792	402,234	650,948	1,840,974
Nursery:				
Direct costs	141,612	4,011	3,612	149,235
	<u>4,267,794</u>	<u>641,984</u>	<u>825,660</u>	<u>5,735,438</u>

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	2,236	2,236
Education:				
Direct costs	3,276,197	252,307	239,673	3,768,177
Allocated support costs	791,206	598,336	636,234	2,025,776
Nursery:				
Direct costs	173,091	5,587	2,760	181,438
	<u>4,240,494</u>	<u>856,230</u>	<u>880,903</u>	<u>5,977,627</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Education	3,743,507	1,840,974	5,584,481
Nursery	149,235	-	149,235
	<u>3,892,742</u>	<u>1,840,974</u>	<u>5,733,716</u>
	<u>3,892,742</u>	<u>1,840,974</u>	<u>5,733,716</u>
	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Education	3,768,177	2,025,776	5,793,953
Nursery	181,438	-	181,438
	<u>3,949,615</u>	<u>2,025,776</u>	<u>5,975,391</u>
	<u>3,949,615</u>	<u>2,025,776</u>	<u>5,975,391</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension income	35,000	37,000
Staff costs	787,792	791,206
Depreciation	55,012	62,154
Other Costs	2,690	2,204
Recruitment and Support	14	350
Maintenance of premises and equipment	201,079	378,229
Cleaning	41,222	35,625
Rent and rates	22,204	27,074
Energy costs	70,408	82,436
Insurance	25,307	28,092
Security and transport	8,299	5,359
Catering	228,886	226,620
Technology costs	139,407	115,206
Office overheads	42,106	44,096
Legal and professional	148,184	156,279
Bank interest and charges	1,013	2,608
Governance costs	32,351	31,238
	1,840,974	2,025,776

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	12,371	14,850
Depreciation of tangible fixed assets	294,762	320,048
Fees paid to auditors for:		
- audit	8,860	8,780
- other services	4,900	4,850

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,972,660	2,970,382
Social security costs	244,318	246,159
Pension costs	954,156	841,419
	<u>4,171,134</u>	<u>4,057,960</u>
Agency staff costs	96,660	166,534
Staff restructuring costs	-	16,000
	<u>4,267,794</u>	<u>4,240,494</u>

Staff restructuring costs comprise:

Severance payments	-	16,000
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b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are £Nil (2019: £16,000) of settlement payments relating to no members of staff (2019: one member of staff).

c. STAFF NUMBERS

The average number of persons employed by the Academy Trust during the year was as follows:

	2020 No.	2019 No.
Teachers	49	52
Educational Support	85	88
Administration and Clerical	12	12
Management	6	6
	<u>152</u>	<u>158</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. STAFF (CONTINUED)

d. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £110,001 - £120,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £242,378 (2019: £224,202).

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its Academies during the year:

- Business and Finance
- Administration and Human Resources
- School Improvement Support and Management
- Provision of the Edison Centre which delivers behavioural and emotional support for staff, children and parents

The Academy Trust charges for these services on the following basis:

The Academy Trust charges for these services based on pupil numbers. Additionally insurance relief received from the ESFA is recharged to the central service.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Beechwood Primary Academy	225,041	215,960
Weston Mill Community Primary Academy	178,747	182,652
Oakwood Primary Academy	177,457	167,108
TOTAL	581,245	565,720

13. TRUSTEES' REMUNERATION AND EXPENSES

The CEO only receives remuneration in respect of services they provide undertaking the role of CEO under their contract of employment, and not in respect of their services as a Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: A Nettleship: Remuneration £115,000 - £120,000 (2019: £110,000 - £115,000), Employer's pension contributions £25,000 - £30,000 (2019: £15,000 - £20,000).

Other related party transactions involving the Trustees are set out in note 31.

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £272 reimbursed to 1 Trustee).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was included in the total insurance cost of £20,208 (2019: £25,776).

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST						
At 1 September 2019	4,428,256	8,975,232	165,782	178,298	6,000	13,753,568
At 31 August 2020	4,428,256	8,975,232	165,782	178,298	6,000	13,753,568
DEPRECIATION						
At 1 September 2019	209,898	470,661	55,683	115,233	3,600	855,075
Charge for the year	69,966	156,887	33,156	33,553	1,200	294,762
At 31 August 2020	279,864	627,548	88,839	148,786	4,800	1,149,837
NET BOOK VALUE						
At 31 August 2020	4,148,392	8,347,684	76,943	29,512	1,200	12,603,731
At 31 August 2019	4,218,358	8,504,571	110,099	63,065	2,400	12,898,493

Included in freehold property is land amounting to £929,934 (2019: £929,934) which is not depreciated.

16. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	5,074	1,313
Other debtors	1,184	1,253
Prepayments and accrued income	398,150	594,388
VAT recoverable	27,672	79,398
	432,080	676,352

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
ESFA loans	4,469	4,469
Trade creditors	173,144	166,925
Other taxation and social security	55,403	57,906
Other creditors	72,446	60,228
Accruals and deferred income	144,611	396,488
	<u>450,073</u>	<u>686,016</u>

Included within ESFA loans is a Salix loan of £4,469 (2019: £4,469) repayable in six-monthly instalments over 6 years with an applicable annual interest rate of 0%.

	2020 £	2019 £
DEFERRED INCOME		
Deferred income at 1 September 2019	133,835	107,752
Resources deferred during the year	89,656	133,835
Amounts released from previous periods	(133,835)	(107,752)
	<u>89,656</u>	<u>133,835</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 2020/21 year in respect of UIFSM and Rates Relief Income.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
ESFA loans	<u>15,640</u>	<u>20,109</u>

Included within ESFA loans is a Salix loan of £15,640 (2019: £20,109) repayable in six-monthly instalments over 6 years with an applicable annual interest rate of 0%.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	<u>-</u>	<u>2,234</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	57,185	292,229	(226,316)	(4,469)	-	118,629
RESTRICTED GENERAL FUNDS						
General Annual Grant	382,047	4,115,933	(4,078,216)	185,780	-	605,544
Pupil Premium	13,143	497,699	(510,842)	-	-	-
High Needs	11,974	32,860	(44,834)	-	-	-
Other DfE/ESFA grants	4,621	195,109	(187,722)	-	-	12,008
Other Local Authority Grants	-	14,746	(14,746)	-	-	-
Pension reserve	(3,646,000)	-	(378,000)	-	(8,000)	(4,032,000)
	<u>(3,234,215)</u>	<u>4,856,347</u>	<u>(5,214,360)</u>	<u>185,780</u>	<u>(8,000)</u>	<u>(3,414,448)</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	12,751,602	-	(239,729)	-	-	12,511,873
Fixed assets purchased from GAG and other restricted funds	65,118	-	(27,106)	-	-	38,012
Devolved Formula Capital	81,773	23,876	(27,927)	(9,675)	-	68,047
Salix loan	(24,578)	-	-	4,469	-	(20,109)
Condition Improvement Fund	170,816	370,033	-	(176,105)	-	364,744
	<u>13,044,731</u>	<u>393,909</u>	<u>(294,762)</u>	<u>(181,311)</u>	<u>-</u>	<u>12,962,567</u>
TOTAL RESTRICTED FUNDS	<u>9,810,516</u>	<u>5,250,256</u>	<u>(5,509,122)</u>	<u>4,469</u>	<u>(8,000)</u>	<u>9,548,119</u>
TOTAL FUNDS	<u><u>9,867,701</u></u>	<u><u>5,542,485</u></u>	<u><u>(5,735,438)</u></u>	<u><u>-</u></u>	<u><u>(8,000)</u></u>	<u><u>9,666,748</u></u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

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

Restricted Funds

General Annual Grant – Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Pupil Premium – Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received from the Local Authority to fund further support for students with additional needs.

Other DfE/ESFA grants - This represents grants from the DfE/ ESFA which are not GAG or Pupil Premium however are restricted for a specific purpose. The majority of the income and expenditure is in relation to UIFSM and PE and Sports Grant.

Other - This represents trip contributions, STEM and Erasmus funding received during the year.

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the Schools from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG and other restricted funds – This represents funds transferred from the restricted GAG fund and other restricted funds to purchase fixed assets.

Devolved Formula Capital – This represents funding from the ESFA to cover the maintenance and purchase of the Academy Trust's assets.

Salix loan – This represents funds from the government in the form of a Salix loan to be repaid over the next 6 years.

Condition Improvement Fund – This represents funding from the ESFA to upgrade mechanical and electrical school systems.

Other information

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

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Beechwood Primary Academy	183,983	110,514
Weston Mill Community Primary Academy	469,629	312,601
Oakwood Primary Academy	82,569	45,855
Total before fixed asset funds and pension reserve	736,181	468,970
Restricted fixed asset fund	12,962,567	13,044,731
Pension reserve	(4,032,000)	(3,646,000)
TOTAL	9,666,748	9,867,701

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020
	£	£	£	£	£
Beechwood Primary Academy	1,110,220	174,825	20,891	317,456	1,623,392
Weston Mill Community Primary Academy	1,004,448	166,730	16,181	397,554	1,584,913
Oakwood Primary Academy	898,664	124,642	12,845	210,674	1,246,825
Central	284,095	206,171	1,563	115,717	607,546
ACADEMY TRUST	3,297,427	672,368	51,480	1,041,401	5,062,676

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 Restated £
Beechwood Primary Academy	1,035,242	174,523	22,079	358,144	1,589,988
Weston Mill Community Primary Academy	1,077,521	189,098	22,942	573,789	1,863,350
Oakwood Primary Academy	843,335	96,998	16,397	266,657	1,223,387
Central	306,763	196,958	3,582	83,552	590,855
ACADEMY TRUST	3,262,861	657,577	65,000	1,282,142	5,267,580

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	85,333	315,597	(262,046)	(81,699)	-	57,185
RESTRICTED GENERAL FUNDS						
General Annual Grant	357,344	3,952,818	(4,233,062)	304,947	-	382,047
Pupil Premium	8,610	512,190	(507,657)	-	-	13,143
High Needs	-	24,250	(12,276)	-	-	11,974
Other DfE/ESFA grants	13,053	210,640	(219,072)	-	-	4,621
Other Local Authority Grants	-	21,225	(21,225)	-	-	-
Other	-	12,242	(12,242)	-	-	-
Pension reserve	(2,675,000)	-	(390,000)	-	(581,000)	(3,646,000)
	<u>(2,295,993)</u>	<u>4,733,365</u>	<u>(5,395,534)</u>	<u>304,947</u>	<u>(581,000)</u>	<u>(3,234,215)</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	13,012,237	-	(260,635)	-	-	12,751,602
Fixed assets purchased from GAG and other restricted funds	29,675	10,000	(31,485)	56,928	-	65,118
Devolved Formula Capital	41,847	67,853	(27,927)	-	-	81,773
Salix loan	(29,047)	-	-	4,469	-	(24,578)
Condition Improvement Fund	-	455,461	-	(284,645)	-	170,816
	<u>13,054,712</u>	<u>533,314</u>	<u>(320,047)</u>	<u>(223,248)</u>	<u>-</u>	<u>13,044,731</u>
TOTAL RESTRICTED FUNDS	<u>10,758,719</u>	<u>5,266,679</u>	<u>(5,715,581)</u>	<u>81,699</u>	<u>(581,000)</u>	<u>9,810,516</u>
TOTAL FUNDS	<u>10,844,052</u>	<u>5,582,276</u>	<u>(5,977,627)</u>	<u>-</u>	<u>(581,000)</u>	<u>9,867,701</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,603,731	12,603,731
Current assets	118,629	1,046,375	395,726	1,560,730
Creditors due within one year	-	(433,498)	(16,575)	(450,073)
Creditors due in more than one year	-	-	(15,640)	(15,640)
Pension liability	-	(4,032,000)	-	(4,032,000)
Difference	-	4,675	(4,675)	-
TOTAL	<u>118,629</u>	<u>(3,414,448)</u>	<u>12,962,567</u>	<u>9,666,748</u>

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,898,493	12,898,493
Current assets	77,352	778,149	465,832	1,321,333
Creditors due within one year	(20,167)	(366,364)	(299,485)	(686,016)
Creditors due in more than one year	-	-	(20,109)	(20,109)
Pension liability	-	(3,646,000)	-	(3,646,000)
TOTAL	57,185	(3,234,215)	13,044,731	9,867,701

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(192,953)	(395,351)
ADJUSTMENTS FOR:		
Depreciation	294,762	320,047
Capital grants from DfE and other capital income	(393,909)	(533,314)
Interest receivable	(211)	(334)
Defined benefit pension scheme cost less contributions payable	309,000	321,000
Defined benefit pension scheme finance cost	69,000	69,000
Decrease/(increase) in debtors	86,930	(1,969)
(Decrease)/increase in creditors	(235,943)	313,629
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(63,324)	92,708

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayment of ESFA loans	(4,469)	(4,469)
NET CASH USED IN FINANCING ACTIVITIES	(4,469)	(4,469)

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2020	2019
	£	£
Interest received	211	334
Purchase of tangible fixed assets	-	(127,419)
Capital grants from DfE Group	551,251	139,927
Capital funding received from sponsors and others	-	10,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	551,462	22,842

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash in hand	775,857	293,769
Notice deposits (less than 3 months)	352,793	351,212
TOTAL CASH AND CASH EQUIVALENTS	1,128,650	644,981

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	644,981	483,669	1,128,650
Debt due within 1 year	(4,469)	-	(4,469)
Debt due after 1 year	(20,109)	4,469	(15,640)
	620,403	488,138	1,108,541

26. CAPITAL COMMITMENTS

	2020	2019
	£	£
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Repairs, maintenance or enhancements to property	340,887	137,033

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon 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.

Contributions amounting to £68,855 were payable to the schemes at 31 August 2020 (2019 - £58,152) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £413,397 (2019 - £297,162).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £297,000 (2019 - £289,623), of which employer's contributions totalled £231,000 (2019 - £223,009) and employees' contributions totalled £ 66,000 (2019 - £66,614). The agreed contribution rates for future years are 15.3 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.65
Rate of increase for pensions in payment/inflation	2.25	2.15
Discount rate for scheme liabilities	1.60	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.9	22.5
Females	24.1	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	25.5	26.2

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	177	165
Discount rate -0.1%	182	170
Mortality assumption - 1 year increase	243	223
Mortality assumption - 1 year decrease	234	215
CPI rate +0.1%	160	151
CPI rate -0.1%	155	147

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. PENSION COMMITMENTS (CONTINUED)

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	1,733,000	1,512,000
Gilts	240,000	133,000
Property	231,000	214,000
Cash and other liquid assets	33,000	33,000
Other	667,000	565,000
TOTAL MARKET VALUE OF ASSETS	2,904,000	2,457,000

The actual return on scheme assets was £11,000 (2019 - £98,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(540,000)	(473,000)
Past service cost	-	(71,000)
Interest income	47,000	58,000
Interest cost	(116,000)	(127,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(609,000)	(613,000)

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

	2020 £	2019 £
AT 1 SEPTEMBER	6,103,000	4,768,000
Current service cost	540,000	473,000
Interest cost	116,000	127,000
Employee contributions	66,000	67,000
Actuarial losses	127,000	620,000
Benefits paid	(16,000)	(23,000)
Past service cost	-	71,000
AT 31 AUGUST	6,936,000	6,103,000

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020	2019
	£	£
AT 1 SEPTEMBER	2,457,000	2,093,000
Interest income	47,000	58,000
Actuarial gains	119,000	39,000
Employer contributions	231,000	223,000
Employee contributions	66,000	67,000
Benefits paid	(16,000)	(23,000)
AT 31 AUGUST	2,904,000	2,457,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Amounts payable		
Not later than 1 year	12,371	12,371
Later than 1 year and not later than 5 years	9,279	21,650
	21,650	34,021

29. MEMBERS' LIABILITY

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

30. GENERAL INFORMATION

Discovery Multi Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Beechwood Primary Academy, Rockfield Avenue, Southway, Plymouth, Devon, PL6 6DX.

**DISCOVERY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

31. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.