



DISCOVERY

Multi Academy Trust

DEMOCRATIC - INCLUSIVE - COLLABORATIVE - EXCELLING

DISCOVERY MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Z Batten R Galloway C Macrae T Tuohy J Johnson (appointed 24 October 2023)
Trustees	J Guy, Chair of Trustees ¹ A Cox ¹ L Drummond (resigned 20 July 2023) ¹ L Daggart ² D Grant ² D Matthews ¹ A Nettleship, CEO R Waring ² N Maslen ² L Tamsett- White (resigned 27 September 2023) ¹
	¹ Audit & Finance Committee ² Learning & Standards Committee
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	T Elbrow
Accounting Officer	A Nettleship
Senior management team	A Nettleship, Chief Executive Officer C Howells, Chief Financial Officer K Mason, Trust HR Lead
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 2023**

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 2023**

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2023. 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 3 to 11 in Plymouth, Devon. Its academies have a combined pupil capacity of 1230 (plus 88 nursery places) and had a roll of 924 in the school census on Summer 2023.

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.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

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 £5M 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 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

Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO (ex officio). Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

When appointing new Trustees, the Board will consider 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.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a Governance Protocol and Code of Conduct policy available from the Governance Professional.

The training and induction provided for new Trustees will depend upon their existing experience but would 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. Advantage is taken of specific courses offered by the National College 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.

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 and reporting, 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 Governance Professional, to approve the Strategic Business Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The central Local Advisory Board (LAB) continues to operate across the three schools effectively following its establishment in 2017-18. The 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.

During the year 2022-2023 the Trust developed Governance Groups for key areas of the Trust which include representatives from the Trust Board, the LAB and a member of the Trust central team. This provides line of sight through all layers of Governance to support the development and effectiveness of the Trust. These groups include Finance, HR, Safeguarding, Inclusion, Learning & Standards and Premises.

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

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 and 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.

Each staff member in the Academy Trust will have an Individual Professional Development Plan, also known as an IPDP. The IPDP works alongside the Discovery MAT Layered CPD Model - with staff focusing on including objectives from each of the layers of CPD (Directed, Specific and Optional). The appraisal and review cycle of the IPDP gives individuals and their reviewers an opportunity to review performance and agree personal objectives.

The Academy Trust IPDP appraisal and review cycle is a supportive and developmental process designed to ensure that all staff have the skills and support they need to carry out their role effectively.

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/period ended 31 August 2023.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES

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 principal object and activity of the Charitable Company is the operation of Discovery Multi Academy Trust to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2023 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
- to ensure that 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 the Academy's capacity to manage change
- 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 be achieving Trauma Informed Organisation status

The Trust aims to achieve the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academies strive to be a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 the light of budgetary pressure and national falling pupil numbers
- further development of the school systems to support administration and communication
- development and embedding of key financial and administrative procedures
- review and fund provision in the schools to facilitate a broader range of support for children and families post-Covid
- 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

To ensure that standards are continually assessed, the Academy Trust operates a rigorous programme of monitoring which is undertaken by the Chief Executive Officer, Heads of School and the Central 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 development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of Science, Technology, Engineering and Maths.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. This has included supporting the Government's 'Fit and Fed' programme as well as local community groups.

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

STRATEGIC REPORT

Schools within the Trust are continuing to develop and enhance their capacity to provide excellent learning experiences and outcomes for our children. As a Trust with a higher than national number of pupils with special educational needs and pupils eligible for pupil premium, significant support continues to be provided by the Trust to support social, emotional and mental health needs. Over the year, Trustees have allocated additional funding to support the schools, including the development of additional provision and staffing.

In addition, the Trust continues to work in partnership with the Local Authority and other Trust's and schools across the City to develop its effective nurture provision 'Edison'. Two bases were developed

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

over the year as well as outreach to both the Primary and Early Years sectors in response to growing needs. This has also benefited the Trust through continued professional development sourced from a range of organisations to support understanding of Adverse Childhood Experiences and Trauma.

Over the course of the year approval was given to extend pupil age ranges at two of our schools, increasing the Trusts capacity to support a need within the community. One of these has opened and the other will follow staff appointments.

Low attendance of pupils and the impact that this has on education, continues to be a challenge. The Trust has appointed a lead for Attendance and has reviewed policy and practice to reflect the changes made in statutory guidance. The Trust continues to ensure that all schools have dedicated support for families as it recognises the challenges faced by families in our communities.

Our Foundation teams across the Trust have achieved Bristol Standard recognition over the year and through collaboration and a strong focus on Personal Social and Emotional Development have secured improved end-of-year outcomes.

Statutory Assessment	Trust average %	National Average %
GLD	65	67
Year 1 Phonics Screening	70	80
KS1		
Reading	57	68
Writing	47	54
Maths	66	70
KS2		
Reading	61	73
Writing	60	71
Maths	61	73

The schools continue to challenge themselves in improving outcomes for pupils further and all Trust schools continue to work with partners in other schools and Trusts to promote this. A full curriculum audit was completed over the year, together with partnership activities with two Trusts supporting and challenging leaders at all levels. The schools have continued to embed its development of Teaching & Learning, supporting staff new to the Trust and developing the right environment for our pupils. A continued focus on Rich Experiences, supplementing Curriculum Learning with trips and events to broaden and develop understanding, cultural experiences and social moral elements of their curriculum. The schools continue to include parents and community members in events both in inviting those in to school, but also providing opportunities for our pupils to be part of community events. This has included local artist workshops, visiting our local wildlife reserve and library, art and cooking workshops for parents, class assemblies and fashion shows as well as organising events to support parents understanding of how we teach their children, and how they can support his. The use of Facebook has increased significantly this year as a medium for school to share and celebrate activities in school with our communities.

Pupils across the Trust have benefitted from the National Tutoring Programme for pupils from Year 1 to Year 6, with staff reporting that the biggest impact was in improved resilience and raising of self-esteem.

Work has continued to promote social and emotional education over the year to ensure that children are ready to learn and communicate their thoughts and feelings effectively with the adults they are working with. Children have continued to access a range of enrichment opportunities, with all pupils accessing educational visits and through residential to Nethercott Farm, camping and London. These trips have also developed opportunities for our children to meet and socialise with children from other schools within the Trust and develop new friendships.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The schools continue to provide extended provision through clubs using in-house staff and external agencies, such as Plymouth Sports Partnerships and Plymouth Argyle. There has also been support from Devon Cricket Association who came in to develop cricket skills with the children as well as basketball and netball coaches. Subsequently the pupils have been able to attend more competitive events, in partnership with schools across the City. Pupils have also been given the opportunity to perform and develop their own play through 'Out of the Box' productions, working with schools across the City, ultimately showcasing their work in a theatre performance.

External visitors continue to give context for learning including those who worked with the children on health, nutrition and fitness and also to complete Bikeability road safety awareness training.

Relationships between schools within the Trust have continued to develop over the year with a focus on high quality professional and curriculum development. The opportunity to collaborate with colleagues in the planning process have developed cohesion and clarity for teaching and learning. A coaching model has been introduced to support colleagues to work collaboratively to improve practice within teaching and learning.

Many staff continue to study for leadership National Professional Qualifications as part of their own professional development, including Executive Leadership, Headship and Senior Leadership. Along with staff who have also begun studying for specialist NPQ qualifications including, Leading Teaching, Leading Teacher Development and Leading Behaviour and Culture. These opportunities are offered to all staff at every level in the organisation through the Trust's Professional development scheme.

The school's community continues with their wide-ranging work for the benefit of the children and a variety of charities. The PTFA, in particular, have continued to support our schools by hosting discos and Summer Fayres. These efforts have helped to fund an enterprise week across the school providing every child in our Trust with an understanding of the business world.

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 - the amount of carry forward is restricted to 12% and the restriction has been removed in the year. In period under review, £1,318,350 was carried forward representing 29% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers have remained stable over the year overall. 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	17.6
Pupil to teacher ratio	26.0	17.0
Teaching to non-teaching staff ratio	0.7	0.59
Total income per pupil	£4,527	£6,955
Total GAG per pupil	£3,618	£4,880
Ratio of GAG to total income	80.0	70.0
Staff costs per pupil	£3,747	£4,726
Ratio of staff costs to income	77.0	68.0
Ratio of pension cost to staff costs	28.0	17.7

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

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 2023 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 ended 31 August 2023, the Academy received total income of £6,426,331 and incurred total expenditure of £6,599,865. The excess of expenditure over income for the year was £173,354.

At 31 August 2023 the net book value of fixed assets was £12,069,143 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 Activity 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, the uncertainty over future income streams and other key risks identified during the risk review.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees have determined that the appropriate level of free reserves should be approximately one month of normal reoccurring expenditure. This would be approximately £540,822. 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 or a rise in pupil numbers meaning not enough funding to teach the pupils etc. Total reserves of the academy amount to £13,454,571 (excluding the defined benefit pension liability), although £12,335,670 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,118,901 (representing £Nil unrestricted funds and £1,118,901 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- Development of library spaces at Weston Mill and Beechwood
- Additional staffing to support pupil need
- Targeted funding for school improvement projects
- Set aside funding to plan for a period of reduced pupil numbers or unexpected costs

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 CEO and Chief Financial Officer within strict guidelines approved by the Board of Trustees.

The Academy Trust has a 32 Day Notice Deposit Account (2.6% interest rate) and a One-year fixed rate account (3.2% interest rate) held with Lloyds Commercial Banking gaining interest on Trust reserves.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy'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 is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student 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 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.

Estate – the Trust ensure that appropriate systems are in place to ensure that the Trust's estate is safe, well managed and complies with all appropriate legislation and regulation. This risk is reviewed as part of the Boards ongoing Premises strategy.

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

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

The Academy has agreed a Risk Register. This have been discussed by Trustees and includes the financial risks to the Academy Trust. The register and plan are regularly reviewed in Governance groups and by the Board considering any new information and is 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 numbers are consistent, 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 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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. It's 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.

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 Trust's and organisations to improve the educational opportunities for students in the wider community.

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 the 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, and signed on the Board's behalf by:

J Guy
(Chair of Trustees)
Date:

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

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.

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 5 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
A Cox	3	5
L Daggart	4	5
L Drummond	0	5
D Grant	4	5
J Guy, Chair of Trustees	5	5
D Matthews	4	5
N Maslen	5	5
L Tamsett-White	3	5
R Waring	2	5

Trustees have continued to support the development of the 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 continue to self-assess 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.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Governance Review

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 Trusts 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 vulnerabilities
- advise the Board on the adequacy and effectiveness of the Trust's systems of internal control, management and governance processes to ensure overall efficiency, effectiveness and value for money

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Cox	3	3
L Drummond, Vice Chair	1	3
D Matthews, Chair	3	3
L Tamsett-White	2	2

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
N Maslen, Chair	3	3
L Doggart	3	3
D Grant	3	3
R Waring, Vice Chair	1	3

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 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, including the procurement of external compliance checks
- reviewing controls and managing risk
- considering allocation/targeting/use of resources
- challenging proposals and examining their effectiveness and efficiency
- deploying staff effectively

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- 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 staff providers
- ensure robust procurement of support for compliance and maintenance of the Trust's estate, including all aspects of Health & Safety training, maintenance and monitoring.
- reviewing the costs of locally purchased SLA's and developing central staff to deliver greater value 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 Board, and its committees continue to be provided with data to evidence the impact of these decisions for them to ensure that their responsibilities in ensuring that the Trust complies with all education, legal and regulatory requirements and monitored and can be evidenced.

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 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.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 ongoing process designed to identify and prioritise the risks 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 period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE 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
- Regular reviews by the Governance groups to ensure that risks are known and managed by all levels of the Trust
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets 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.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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

The 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 Board of 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.

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/reviewer;
- The work of the external auditor;
- 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 Trustees of the Board of Trustees and signed on its behalf by:

J Guy
(Chair of Trustees)
Date:

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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

A Nettleship
Accounting Officer
Date:

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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:

**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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

OTHER INFORMATION

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

**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)**

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.

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.

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

**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)**

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

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

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

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and

**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)**

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

USE OF OUR REPORT

This report is made solely to the Academy 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:

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

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**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)**

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:						
Donations and capital grants	3	2,773	-	73,695	76,468	163,349
Other trading activities		57,850	-	-	57,850	69,422
Investments	7	8,617	-	-	8,617	133
Charitable activities	4	232,530	6,050,866	-	6,283,396	5,785,841
TOTAL INCOME		301,770	6,050,866	73,695	6,426,331	6,018,745
EXPENDITURE ON:						
Raising funds		-	-	-	-	983
Charitable activities		301,974	5,935,224	362,667	6,599,865	7,348,335
TOTAL EXPENDITURE		301,974	5,935,224	362,667	6,599,865	7,349,318
NET (EXPENDITURE)/ INCOME		(204)	115,642	(288,972)	(173,534)	(1,330,573)
Transfers between funds	19	-	63,899	(63,899)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(204)	179,541	(352,871)	(173,534)	(1,330,573)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains on defined benefit pension schemes	27	-	816,000	-	816,000	4,344,000
NET MOVEMENT IN FUNDS		(204)	995,541	(352,871)	642,466	3,013,427

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	204	(40,191)	12,489,092	12,449,105	9,435,678
Net movement in funds 19	(204)	995,541	(352,871)	642,466	3,013,427
TOTAL FUNDS CARRIED FORWARD	-	955,350	12,136,221	13,091,571	12,449,105

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

The notes on pages 32 to 63 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	12,069,143	12,348,025
CURRENT ASSETS			
Debtors	16	251,451	352,688
Cash at bank and in hand	24	1,686,831	1,517,165
		<u>1,938,282</u>	<u>1,869,853</u>
Creditors: amounts falling due within one year	17	(550,621)	(693,071)
		<u>1,387,661</u>	<u>1,176,782</u>
NET CURRENT ASSETS			
		<u>1,387,661</u>	<u>1,176,782</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>13,456,804</u>	<u>13,524,807</u>
Creditors: amounts falling due after more than one year	18	(2,233)	(6,702)
NET ASSETS EXCLUDING PENSION LIABILITY			
		<u>13,454,571</u>	<u>13,518,105</u>
Defined benefit pension scheme liability	27	(363,000)	(1,069,000)
TOTAL NET ASSETS			
		<u><u>13,091,571</u></u>	<u><u>12,449,105</u></u>
FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS:			
Fixed asset funds	19	12,136,221	12,489,092
Restricted income funds	19	1,318,350	1,028,809
		<u>13,454,571</u>	<u>13,517,901</u>
Restricted funds excluding pension liability	19	13,454,571	13,517,901
Pension reserve	19	(363,000)	(1,069,000)
		<u>13,091,571</u>	<u>12,448,901</u>
TOTAL RESTRICTED FUNDS			
		<u>13,091,571</u>	<u>12,448,901</u>
UNRESTRICTED INCOME FUNDS			
	19	-	204
TOTAL FUNDS			
		<u><u>13,091,571</u></u>	<u><u>12,449,105</u></u>

The financial statements on pages 28 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

J Guy
(Chair of Trustees)
Date:

The notes on pages 32 to 63 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 2023**

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	175,608	(364,217)
CASH FLOWS FROM INVESTING ACTIVITIES	23	(1,473)	481,116
CASH FLOWS FROM FINANCING ACTIVITIES	22	(4,469)	(4,469)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		169,666	112,430
Cash and cash equivalents at the beginning of the year		1,517,165	1,404,735
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	1,686,831	1,517,165

The notes on pages 32 to 63 form part of these financial statements

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

• **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.

• **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.

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS (CONTINUED)

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.

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. ACCOUNTING POLICIES (continued)

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.

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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2023**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	2,773	-	612	3,385
Capital Grants	-	-	73,083	73,083
Revenue Grants	-	-	-	-
	<u>2,773</u>	<u>-</u>	<u>73,695</u>	<u>76,468</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	1,860	1,262	22,319	25,441
Capital Grants	-	-	137,908	137,908
	<u>1,860</u>	<u>1,262</u>	<u>160,227</u>	<u>163,349</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education	232,530	6,050,866	6,283,396
	<u>232,530</u>	<u>6,050,866</u>	<u>6,283,396</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Education	202,497	5,583,344	5,785,841
	<u>202,497</u>	<u>5,583,344</u>	<u>5,785,841</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
EDUCATION			
DFE/ESFA GRANTS			
General Annual Grant	-	4,509,476	4,509,476
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	580,686	580,686
UFSM	-	85,628	85,628
School Supplementary Grant	-	138,996	138,996
Other DfE Group grants	-	149,926	149,926
	-	5,464,712	5,464,712
OTHER GOVERNMENT GRANTS			
High Needs	-	181,736	181,736
Nursery income funded	120,602	-	120,602
Other government grants - non capital	24,000	310,189	334,189
	144,602	491,925	636,527
Other income from the Academy Trust's education	87,928	-	87,928
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Recovery Premium	-	57,873	57,873
School Led Tutoring	-	36,356	36,356
	-	94,229	94,229
	232,530	6,050,866	6,283,396

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
EDUCATION			
DFE/ESFA GRANTS			
General Annual Grant	-	4,368,160	4,368,160
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	556,444	556,444
UFSM	-	60,409	60,409
Other DfE Group grants	-	279,499	279,499
	-	5,264,512	5,264,512
OTHER GOVERNMENT GRANTS			
High Needs	6,732	118,832	125,564
Nursery income funded	127,525	-	127,525
Other government grants - non capital	-	200,000	200,000
	134,257	318,832	453,089
Other income from the Academy Trust's education	68,240	-	68,240
	202,497	5,583,344	5,785,841

The Academy Trust received £94,229 (2022: £Nil) of funding for Recovery premium and School Led Tutoring Grants and costs incurred in respect of this funding totalled £109,627 (2022: £Nil).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	2,079	2,079	1,297
Breakfast clubs	20,171	20,171	16,511
Learning resource income	35,600	35,600	30,278
Other	-	-	21,336
	<u>57,850</u>	<u>57,850</u>	<u>69,422</u>

All 2022 amounts relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	8,617	8,617	133
	<u>8,617</u>	<u>8,617</u>	<u>133</u>

All 2022 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 2023**

8. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:				
Direct costs	-	-	-	-
EDUCATION:				
Direct costs	4,224,308	309,623	235,426	4,769,357
Support costs	714,756	346,784	768,968	1,830,508
	<u>4,939,064</u>	<u>656,407</u>	<u>1,004,394</u>	<u>6,599,865</u>

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:				
Direct costs	-	-	983	983
EDUCATION:				
Direct costs	4,213,720	311,337	232,660	4,757,717
Allocated support costs	872,504	776,267	941,847	2,590,618
	<u>5,086,224</u>	<u>1,087,604</u>	<u>1,175,490</u>	<u>7,349,318</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £
Education	<u>4,769,357</u>	<u>1,830,508</u>	<u>6,599,865</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Education	4,757,717	2,590,618	7,348,335

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	12,000	32,000
Staff costs	702,381	872,504
Depreciation	53,043	65,343
Staff Development	4,155	-
Other Costs	13,753	5,739
Recruitment and Support	7,972	22,393
Maintenance of premises and equipment	191,328	790,515
Cleaning	32,667	47,430
Rent and rates	54,183	14,015
Energy costs	86,054	85,615
Insurance	23,536	26,183
Security and transport	11,088	17,387
Catering	254,410	217,982
Technology costs	131,832	122,412
Office overheads	57,681	44,064
Legal and professional	146,662	185,865
Bank interest and charges	828	780
Governance costs	46,935	40,391
	1,830,508	2,590,618

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2023	2022
	£	£
Operating lease rentals	9,061	10,469
Depreciation of tangible fixed assets	362,667	376,679
Fees paid to auditors for:		
- audit	18,510	11,700
- other services	4,190	3,950
	=====	=====

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	3,347,457	3,290,985
Social security costs	301,739	297,134
Pension costs	785,938	1,226,244
	<hr/> 4,435,134	<hr/> 4,814,363
Agency staff costs	503,929	271,861
	<hr/> 4,939,063	<hr/> 5,086,224
	<hr/> <hr/>	<hr/> <hr/>

b. STAFF NUMBERS

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

	2023	2022
	No.	No.
Teachers	54	57
Educational Support	73	86
Administration and Clerical	11	11
Management	7	7
	<hr/> 145	<hr/> 161
	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £120,000 - £130,000	-	1
In the band £130,000 - £140,000	1	-
	=====	=====

d. 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 £305,392 (2022: £269,210).

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:

	2023	2022
	£	£
Beechwood Primary Academy	231,471	233,130
Weston Mill Community Primary Academy	160,719	187,157
Oakwood Primary Academy	233,594	233,469
TOTAL	===== 625,784	===== 653,756

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 £135,000 - £140,000 (2022: £125,000 - £130,000), employer's pension contributions £30,000 - £35,000 (2022: £30,000 - £35,000).

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

During the year, retirement benefits were accruing to one Trustees (2022 - one) in respect of defined contribution pension schemes.

During the year ended 31 August 2023, expenses totalling £313 were reimbursed or paid directly to 2 Trustees (2022 - £NIL to Trustee). The expenses were in relation to mileage claims.

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 2023 was included in the total insurance cost of £19,562 (2022: £18,787).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST					
At 1 September 2022	4,428,256	8,975,232	363,587	349,163	14,116,238
Additions	-	-	75,178	8,607	83,785
Disposals	-	-	-	(70,339)	(70,339)
At 31 August 2023	<u>4,428,256</u>	<u>8,975,232</u>	<u>438,765</u>	<u>287,431</u>	<u>14,129,684</u>
DEPRECIATION					
At 1 September 2022	419,797	941,322	174,136	232,958	1,768,213
Charge for the year	69,966	156,887	77,117	58,697	362,667
On disposals	-	-	-	(70,339)	(70,339)
At 31 August 2023	<u>489,763</u>	<u>1,098,209</u>	<u>251,253</u>	<u>221,316</u>	<u>2,060,541</u>
NET BOOK VALUE					
At 31 August 2023	<u><u>3,938,493</u></u>	<u><u>7,877,023</u></u>	<u><u>187,512</u></u>	<u><u>66,115</u></u>	<u><u>12,069,143</u></u>
At 31 August 2022	<u><u>4,008,459</u></u>	<u><u>8,033,910</u></u>	<u><u>189,451</u></u>	<u><u>116,205</u></u>	<u><u>12,348,025</u></u>

Included in freehold property is land amounting to £929,934 (2022: £929,934) which is not depreciated.

16. DEBTORS

	2023 £	2022 £
Trade debtors	2,410	715
Other debtors	363	3,780
Prepayments and accrued income	215,154	308,841
VAT recoverable	33,524	39,352
	<u><u>251,451</u></u>	<u><u>352,688</u></u>

**DISCOVERY MULTI ACADEMY TRUST
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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
ESFA loans	4,469	4,469
Trade creditors	204,023	237,978
Other taxation and social security	64,411	64,855
Other creditors	85,421	83,991
Accruals and deferred income	192,297	301,778
	<u>550,621</u>	<u>693,071</u>

Included within ESFA loans is a Salix loan of £4,469 (2022: £4,469) repayable in six-monthly instalments over 6 years with an applicable annual interest rate of 0%.

	2023	2022
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2022	46,836	59,959
Resources deferred during the year	90,559	46,836
Amounts released from previous periods	(46,836)	(59,959)
	<u>90,559</u>	<u>46,836</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 2023/24 year in respect of UIFSM and Local Authority grant income.

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

	2023	2022
	£	£
Other loans	2,233	6,702
	<u>2,233</u>	<u>6,702</u>

Included within ESFA loans is a Salix loan of £2,233 (2022: £6,702) repayable in six-monthly instalments over 6 years with an applicable annual interest rate of 0%.

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19. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General funds	204	301,770	(301,974)	-	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant	947,753	4,509,476	(4,411,745)	73,417	-	1,118,901
Pupil Premium	-	580,686	(580,686)	-	-	-
High Needs	-	181,736	(181,736)	-	-	-
UIFSM	2,909	85,628	(77,984)	-	-	10,553
PE & Sport grant	-	56,290	(56,290)	-	-	-
School Supplementary Grant	-	138,996	(138,996)	-	-	-
Other DfE/ ESFA grants	34,024	187,865	(205,599)	-	-	16,290
Other Local Authority grants	44,123	310,189	(172,188)	(9,518)	-	172,606
Pension reserve	(1,069,000)	-	(110,000)	-	816,000	(363,000)
	(40,191)	6,050,866	(5,935,224)	63,899	816,000	955,350

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	12,043,570	-	(226,853)	-	-	11,816,717
Fixed assets purchased from GAG and other restricted funds	174,182	-	(24,201)	14,851	-	164,832
Devolved Formula Capital	61,209	73,083	(39,892)	(55,415)	-	38,985
Salix loan	(11,175)	-	-	4,469	-	(6,706)
Condition Improvement Fund	97,231	-	(16,196)	(27,804)	-	53,231
Donated Fixed Assets	30,070	612	(16,690)	-	-	13,992
LA Capital Grant	18,406	-	(3,943)	-	-	14,463
Other DfE/ ESFA capital grants	75,599	-	(34,892)	-	-	40,707
	<u>12,489,092</u>	<u>73,695</u>	<u>(362,667)</u>	<u>(63,899)</u>	<u>-</u>	<u>12,136,221</u>
TOTAL RESTRICTED FUNDS	<u>12,448,901</u>	<u>6,124,561</u>	<u>(6,297,891)</u>	<u>-</u>	<u>816,000</u>	<u>13,091,571</u>
TOTAL FUNDS	<u><u>12,449,105</u></u>	<u><u>6,426,331</u></u>	<u><u>(6,599,865)</u></u>	<u><u>-</u></u>	<u><u>816,000</u></u>	<u><u>13,091,571</u></u>

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.

19. STATEMENT OF FUNDS (CONTINUED)

UIFSM - This represents funding received to provide free school meals.

PE & Sport grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

School Supplementary Grant - ESFA additional funding to be used for increasing running costs of the Academy Trust

Other DfE/ESFA grants - This represents grants from the DfE/ ESFA which are not split out above, but are however restricted for a specific purpose.

Other Local Authority grants - This represents grants from the Local Authority for specific purposes.

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 6 years.

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

Donated fixed assets - This represents the NBV of assets donated to the Academy Trust.

LA Capital grants - This represents capital funding received from the Local Authority.

Other DfE/ ESFA capital grants - This represents other capital funding received from the ESFA.

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 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	39,698	273,912	(308,937)	(4,469)	-	204
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
RESTRICTED GENERAL FUNDS						
General Annual Grant	971,897	4,368,160	(4,962,318)	570,014	-	947,753
Pupil Premium	-	556,444	(556,444)	-	-	-
High Needs	-	125,028	(125,028)	-	-	-
UIFSM	16,659	60,409	(79,929)	5,770	-	2,909
PE & Sport grant	25,843	56,440	(82,283)	-	-	-
Other DfE/ ESFA grants	4,918	203,295	(175,800)	1,611	-	34,024
Other Local Authority grants	-	214,830	(170,707)	-	-	44,123
Pension reserve	(4,853,000)	-	(560,000)	-	4,344,000	(1,069,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,833,683)	5,584,606	(6,712,509)	577,395	4,344,000	(40,191)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**DISCOVERY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	12,276,221	-	(232,651)	-	-	12,043,570
Fixed assets purchased from GAG and other restricted funds	32,360	-	(13,541)	155,363	-	174,182
Devolved Formula Capital	62,764	23,233	(24,788)	-	-	61,209
Salix loan	(15,644)	-	-	4,469	-	(11,175)
Condition Improvement Fund	841,608	-	(11,619)	(732,758)	-	97,231
Donated Fixed Assets	22,354	22,319	(14,603)	-	-	30,070
LA Capital Grant	10,000	10,000	(1,594)	-	-	18,406
Other DfE/ ESFA capital grants	-	104,675	(29,076)	-	-	75,599
	<u>13,229,663</u>	<u>160,227</u>	<u>(327,872)</u>	<u>(572,926)</u>	<u>-</u>	<u>12,489,092</u>
TOTAL RESTRICTED FUNDS	<u>9,395,980</u>	<u>5,744,833</u>	<u>(7,040,381)</u>	<u>4,469</u>	<u>4,344,000</u>	<u>12,448,901</u>
TOTAL FUNDS	<u><u>9,435,678</u></u>	<u><u>6,018,745</u></u>	<u><u>(7,349,318)</u></u>	<u><u>-</u></u>	<u><u>4,344,000</u></u>	<u><u>12,449,105</u></u>

**DISCOVERY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Beechwood Primary Academy	456,161	395,455
Weston Mill Community Primary Academy	542,330	539,997
Oakwood Primary Academy	147,253	49,748
Edison Centre	172,606	43,813
Total before fixed asset funds and pension reserve	1,318,350	1,029,013
Restricted fixed asset fund	12,136,221	12,489,092
Pension reserve	(363,000)	(1,069,000)
TOTAL	13,091,571	12,449,105

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 2023
	£	£	£	£	£
Beechwood Primary Academy	1,374,352	170,792	82,847	306,635	1,934,626
Weston Mill Community Primary Academy	1,115,188	193,048	49,812	308,548	1,666,596
Oakwood Primary Academy	1,214,918	134,707	53,075	284,316	1,687,016
Edison Centre	192,792	-	2,932	3,796	199,520
Central	278,058	197,208	16,759	146,414	638,439
ACADEMY TRUST	4,175,308	695,755	205,425	1,049,709	6,126,197

The Trust has separated out the funds and costs associated with the provision of the Edison Centre. The Edison Centre is a nurture provision providing alternative placement for children from Foundation Stage to Year 6, with intensive provision towards specific targets to enable them to succeed in mainstream education. The Edison Centre is operated from two sites based at Beechwood Primary Academy and Weston Mill Community Primary Academy.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Beechwood Primary Academy	1,283,907	153,298	67,710	280,984	1,785,899
Weston Mill Community Primary Academy	1,107,729	158,387	44,975	493,973	1,805,064
Oakwood Primary Academy	1,070,569	143,271	91,676	721,989	2,027,505
Edison Centre	179,139	260	577	7,808	187,784
Central services	282,376	249,681	28,529	94,608	655,194
ACADEMY TRUST	3,923,720	704,897	233,467	1,599,362	6,461,446

**DISCOVERY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	12,069,143	12,069,143
Current assets	16,782	1,847,720	73,780	1,938,282
Creditors due within one year	(16,782)	(529,370)	(4,469)	(550,621)
Creditors due in more than one year	-	-	(2,233)	(2,233)
Pension liability	-	(363,000)	-	(363,000)
TOTAL	-	955,350	12,136,221	13,091,571

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	12,348,025	12,348,025
Current assets	5,604	1,712,007	152,242	1,869,853
Creditors due within one year	(5,400)	(683,198)	(4,473)	(693,071)
Creditors due in more than one year	-	-	(6,702)	(6,702)
Pension liability	-	(1,069,000)	-	(1,069,000)
TOTAL	204	(40,191)	12,489,092	12,449,105

**DISCOVERY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(173,534)	(1,330,573)
ADJUSTMENTS FOR:		
Depreciation	362,667	327,872
Capital grants from DfE and other capital income	(73,695)	(137,908)
Interest receivable	(8,617)	(113)
Defined benefit pension scheme cost less contributions payable	68,000	480,000
Defined benefit pension scheme finance cost	42,000	80,000
(Increase)/ decrease in debtors	101,237	(3,043)
Increase/ (decrease) in creditors	(142,450)	219,548
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	175,608	(364,217)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £	2022 £
Repayment of ESFA loans	(4,469)	(4,469)

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	8,617	113
Purchase of tangible fixed assets	(83,785)	(300,998)
Capital grants from DfE Group	73,695	782,001
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(1,473)	481,116

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,686,831	663,826
Notice deposits (less than 3 months)	-	853,339
TOTAL CASH AND CASH EQUIVALENTS	1,686,831	1,517,165

**DISCOVERY MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,517,165	169,666	1,686,831
Debt due within 1 year	(4,469)	-	(4,469)
Debt due after 1 year	(6,702)	4,469	(2,233)
	<u>1,505,994</u>	<u>174,135</u>	<u>1,680,129</u>

26. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Repairs, maintenance or enhancements to property	<u>52,546</u>	<u>328,135</u>

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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £78,463 were payable to the schemes at 31 August 2023 (2022 - £99,631) 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 are:

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

The 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (CONTINUED)

The employer's pension costs paid to TPS in the year amounted to £535,938 (2022 - £489,226).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

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 2023 was £318,000 (2022 - £324,000), of which employer's contributions totalled £250,000 (2022 - £253,000) and employees' contributions totalled £68,000 (2022 - £71,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023	2022
	%	%
Rate of increase in salaries	3.85	3.95
Rate of increase for pensions in payment/inflation	2.85	2.95
Discount rate for scheme liabilities	5.30	4.25

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	21.4	21.7
Females	22.6	22.9
RETIRING IN 20 YEARS		
Males	22.7	23.0
Females	24.0	24.3

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27. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2023	2022
	£000	£000
Discount rate +0.1%	(85)	(122)
Discount rate -0.1%	87	126
Mortality assumption - 1 year increase	117	139
Mortality assumption - 1 year decrease	(114)	(135)
CPI rate +0.1%	83	116
CPI rate -0.1%	(81)	(113)

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	2,207,000	2,045,000
Corporate bonds	900,000	767,000
Property	348,000	385,000
Cash and other liquid assets	55,000	55,000
Other	628,000	607,000
TOTAL MARKET VALUE OF ASSETS	4,138,000	3,859,000

The actual return on scheme assets was £47,000 (2022 - £-138,000).

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

	2023	2022
	£	£
Current service cost	(318,000)	(733,000)
Interest income	167,000	62,000
Interest cost	(209,000)	(142,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(360,000)	(813,000)

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27. PENSION COMMITMENTS (CONTINUED)

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

	2023	2022
	£	£
AT 1 SEPTEMBER	4,928,000	8,597,000
Current service cost	318,000	733,000
Interest cost	209,000	142,000
Employee contributions	68,000	71,000
Actuarial gains	(938,000)	(4,546,000)
Benefits paid	(84,000)	(69,000)
AT 31 AUGUST	4,501,000	4,928,000

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

	2023	2022
	£	£
AT 1 SEPTEMBER	3,859,000	3,744,000
Interest income	169,000	64,000
Actuarial losses	(122,000)	(202,000)
Employer contributions	250,000	253,000
Employee contributions	68,000	71,000
Benefits paid	(84,000)	(69,000)
Administration expenses	(2,000)	(2,000)
AT 31 AUGUST	4,138,000	3,859,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Amounts payable		
Not later than 1 year	17,008	5,088
Later than 1 year and not later than 5 years	29,195	14,416
	46,203	19,504

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

31. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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