

**Company Registration No. 11281798 (England and Wales)**

**DESBOROUGH COLLEGE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

# DESBOROUGH COLLEGE ACADEMY TRUST

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 44

---

# DESBOROUGH COLLEGE ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Nigel Cook  
Louise Ceska (Resigned 12 July 2021)  
Grahame Fisher  
Richard Jarrett  
Derek Moss (Appointed 25 January 2021)

### Trustees

Zarqa Raja-Asqhar  
John Sparks  
Derek Wilson  
Paulo Honrado (Resigned 5 November 2020)  
Emma O'Connor  
Robert Watson (Resigned 1 September 2020)  
Claire Murray  
Harry Crump (Resigned 31 August 2021)  
Alexander Hughes  
Derek Moss (Chair)

### Senior leadership team

- Principal	Margaret Callaghan
- Vice Principal	Catherine Harden
- Vice Principal	Andrew Wyles
- Senior Assistant Principal	Bernadette Eaves
- Assistant Principal	Daniel Clawson
- School Business Manager	Jane Wallis

**Company registration number** 11281798 (England and Wales)

**Principal and registered office**  
Desborough College  
Shoppenhangers Road  
Maidenhead  
Berkshire  
SL6 2QB  
United Kingdom

**Independent auditor**  
Azets Audit Services  
Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL  
United Kingdom

**Bankers**  
Lloyds Bank Plc  
45 High Street  
Maidenhead  
Berkshire  
SL6 1JS  
United Kingdom

# DESBOROUGH COLLEGE ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### **Solicitors**

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG  
United Kingdom

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2021*

---

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Maidenhead. It has a pupil capacity of 1,150 and had a roll of 926 in the school census of 4 October 2020.

#### **Structure, governance and management**

##### Constitution

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 charitable company operates as Desborough College Academy Trust.

The Trustees of Desborough College Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

##### Method of recruitment and appointment or election of Trustees

The Members may appoint up to 11 Trustees.

Parent Trustees are elected by parents of registered pupils of the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time of election. Any election of Parent Trustees which is contested shall be held by secret ballot.

Trustees may also appoint up to 3 Co-Opted Trustees, but must be appointed by Trustees that were not themselves appointed as Co-Opted Trustees.

##### Policies and procedures adopted for the induction and training of Trustees

Trustees are invited to attend meetings of each sub-committee in order to gain an understanding of its work. They are provided with copies of documents as recommended in the Academies Financial Handbook such as Charity Commission publications "The Essential Trustee - what you need to know", "Internal Financial Controls for Charities", and "Charities and Risk Management - a guide for trustees".

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2021*

---

#### Organisational structure

The Academy is governed by the Members of the Academy Trust and Board of Trustees as per the Memorandum and Article of Association which are the primary Governing documents of the Academy. The Members of the Academy Trust comprise of:

- Signatories of the Memorandum
- One person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- The chairman of the Trustees; and
- Any person appointed under Article 16

Members may appoint up to 11 Trustees. Members and Trustees who were in office 31 August 2021 and served during the period are listed on page 1.

The Board of Trustees is responsible for the strategic management and objectives of Desborough College Academy Trust, including annual budgets, senior staff appointments and making decisions about the direction of the Academy. The Trustees are responsible for monitoring the performance of the Principal on a regular basis.

To do this effectively the Board of Trustees has created various sub-committees. Each has clearly defined Terms of Reference, membership and extent of delegated powers devolved to them on behalf of the Board of Trustees:

- Finance, Resources and Audit Committee
- Standards and Pupil Matters Committee

These committees report to the Board of Trustees which meets at least 3 times per year.

School policies are developed by senior members of the Academy staff to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Board of Trustees and implemented as procedures and systems by the Senior Leadership Team and other designated members of staff.

The Principal (Accounting Officer) and Senior Leadership Team are responsible for the day to day running of the School (internal organisation, management and control). The Senior Leadership Team currently comprises of one Vice Principal, one Senior Assistant Principal, four Assistant Principals and the School Business Manager.

The pastoral welfare for students within the school is led by an Assistant Principal and supported by five Heads of Year and Head of 6th Form.

#### Arrangements for setting pay and remuneration of key management personnel

Members of the Academy's leadership team are paid on the Leadership Pay Scale, as set by the Board of Trustees in accordance with the School teachers' pay and conditions (STPCD). The positions of Principal, Vice Principal and Assistant Principal are allocated Leadership Pay bands. Progression through the pay band is determined by an annual pay review and is carried out at the same time and in the same manner as pay reviews for all teaching staff, by the Pay Review Committee in November.

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.00

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	3,273,000
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
---	---

### Related parties and other connected charities and organisations

Desborough College Academy Trust is part of a consortium of schools providing sixth form education, Partner schools are Radley College, Newlands Girls' School, Wycombe High School, Holyport School, Cox Green School, Altwood CofE School, University of Reading, and Furze Platt Senior School.

### **Objectives and activities**

#### Objects and aims

We believe that educating the character of a young person through outstanding teaching, with the support of parents and the local community, brings success that is life lasting and life changing. We believe that the success of the education we provide is measured not just by outstanding academic outcomes, but also by the success and fulfilment achieved through the breadth of our extra-curricular opportunities, and crucially by the character of the students who graduate from our school.

Desborough College, up to the age of 16, is a boys' school and is characterised by a boy-friendly environment where lessons are typically energetic, challenging and fun; where teachers genuinely enjoy working with boys and understand implicitly what makes them tick; where there is so much going on outside of the classroom that everyone can find something that they can excel at whether that be as a scrum half, jazz saxophonist or chess player. We aspire to provide that educational alchemy which taps into the core strengths of boys: their innate sense of fair play, their sense of humour and their sheer determination to succeed. We deliberately and intentionally nurture key virtues which we believe are essential to enable young people to flourish and thrive: kindness; gratitude; positivity; respect; teamwork; pride; humility; courage; and leadership.

Over recent years these virtues have come to define 'The Desborough Way'. We believe that boys benefit from a "firm but fair" approach; a disciplined environment with clear structures, boundaries and ground rules, with the underlying acknowledgement that boys do occasionally get it wrong-they lose things, procrastinate and occasionally struggle to tuck their shirts in!

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2021*

---

At Desborough boys develop life-long friendships- a “band of brothers”, relishing the enjoyment of going through school together and being themselves in an all-boys environment, encouraged to find the “best version of themselves”.

The Academy aims to be the school of choice for all boys in the local area.

#### Objectives, strategies and activities

The Academy Trust commenced operations on the 1 May 2018 to advance for the public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

The main priorities identified in the Rapid Improvement Plan of academic year 2020-21, based on the SEF of the same year and based on the findings and recommendations of Ofsted February 2018 are:

- A shared vision and purpose drives school improvement.
- Ensure our remote learning supports progress for all students.
- Ensure that all students make progress significantly above the national average for boys.
- At KS3, Literacy and numeracy deficits are closed for all but specifically disadvantaged and SEND students leading to improved outcomes at KS4.
- Outcomes, attendance and exclusion figures of PP, WBR students are improved.
- The Desborough Way leads to outstanding behaviour and improved participation and engagement in class and in our broad Widening Horizons programme.
- Consistent implementation of the Teaching Fundamentals leading to consistently excellent teaching and progress.
- Our PHSE/SRE and SMSC curriculum prepare our boys for life in modern Britain.
- Our focus on BAME and inclusion embed a culture of understanding, appreciation and respect for our diverse school and the diverse world in which we live.
- Development of our middle leaders as the drivers of change and excellence.
- Rebuild Desborough's reputation as the school of choice for local boys.
- Staff wellbeing as a priority ensuring recruitment and retention of excellent staff.

In addition, a key Objective is to identify a suitable Multi-Academy Trust to join in line with the codicil placed on Desborough College Academy Trust when created by DfE in 2018.

#### Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DE). Children are admitted from a wide range of backgrounds. The school has a rich curriculum which aims to deliver good academic progress through a broad range of activities and experiences, offering pupils a chance to demonstrate their full abilities and potential.



# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Strategic report

#### Achievements and performance

The headline outcomes for years 11 and 13 for the period to 31 August 2021 are below.

Headline measure year 11 (20/21)	
Progress 8	+0.28
English & Maths 4+	79.87%
English & Maths 5+	56.38%
English & Maths 7+	14.77%
5 or more GCSEs 4+	78.52%
<i>Incl. English and Maths</i>	
EBacc 4+	21.48%

Headline measure year 13 (20/21)	
L3VA - All Qualifications	+0.89
L3VA - Applied General Qualifications	+0.41
L3VA - All Academic Qualifications	+0.95
A Levels Only A*-A	39.83%
A Levels Only A*-B	72.88%
All A Level A*-C	93.22%
A Levels Only A*-E	100%
Applied General D*-D	57.14%
Applied General D*-M	92.86%
Applied General D*-P	100%

#### Key performance indicators

For the period to 31 August 2021 the following Key Performance Indicators are relevant:

- The Academy maintains its Ofsted rating so that it is judged at least 'Good' in all areas.
- Achievement in the Sixth Form is good.
- Most GCSE subject results are above national averages for both attainment and progress for boys.
- The school reaches its PAN of 189.
- The school is fully staffed.
- Attendance exceeds 95%.

#### Review

The Trustees are pleased to report that despite the impact of COVID, the school continued to make good progress towards its objectives.

#### 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 the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **Financial review**

The Academy's Principal source of income is grant funding from the Department for Education (DfE) which is designated on an annual basis and the use of which is restricted. This includes the General Annual Grant (GAG), Pupil Premium and 16-19 Funding. In addition, the Local Authority continues to manage the Special Education Needs and Disability (SEND) Funding.

The Academy also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

Total income for the period was £10,702,000. Total recurring income (excluding transfers in and fixed asset funding) was £5,728,000 (2020: £5,134,000).

Total expenditure for the period was £6,219,000 (2020: £5,689,000) which includes depreciation and the actuarial costs associated with the LGPS pension scheme. Total recurring expenditure (excluding depreciation and actuarial costs) was £5,629,000 (2020: £5,153,000).

As a result of the above there was a surplus on unrestricted and restricted general funds of £56,000 (2020: £19,000 deficit) to transfer to reserves.

Net assets (excluding the pension liability of £2,838,000) as at 31 August 2021 were £20,495,000 of which £15,486,000 related to land and buildings.

### Reserves policy

1) Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

2) Trustees will monitor levels of reserves in financial reports provided by the School Business Manager and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### Investment policy

The school's Investment Policy is based upon the Academies Financial Handbook and guidance from The Charity Commission. The policy also complies with our Funding Agreement and Articles of Association.

The policy aims to ensure that:-

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

#### Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Other risks remain and are in active management to reduce. For example, as a relatively new stand-alone Academy, the Trust has been conducting reviews of all building's infrastructure so long underinvested in, with particular focus on site health and safety, culminating in a successful bid for Urgent Capital Support to replace end-of-life heating and water distribution installations

Where significant financial risk still remains, they have ensured they have adequate insurance cover. Where significant risk arising from buildings condition exists, a management programme to ameliorate has been devised, which will in turn give rise to applications for further capital grants in AY2021/22. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trustees regularly review the risks faced by the Academy Trust and have completed a "Risk Register" to identify the critical areas of concern. As far as possible the Trustees have put in place management controls to minimise/ mitigate risks. The Risk Register is reviewed regularly.

The Trustees consider the following items are the principal risks facing the Trust:

- Condition of buildings and facilities
- Falling rolls
- Inability to appoint top quality teaching staff
- An Ofsted judgement that is not at least Good

#### **Fundraising**

- All fund raising is used to improve learning outcomes for pupils in line with the School Development Plan.
- We do not accept funding from organisations or businesses that go against our school's core values.
- We do not work with any commercial participators or professional fund raisers.
- Our fund raising is not intrusive and we do not place people or organisations under undue pressure to donate.
- We do not ask parents to donate money towards fund raising projects.
- We do accept donations from individual donors as long as the donations do not come with conditions or expectations we are not happy to uphold.
- Funds raised are kept in the same account as the main school funds and income and expenditure are reported to the Trustees and Principal at the Finance and Resources Committee meetings.
- We have received no complaints in respect of our fund raising activities. In the event of any being received there would be referred to the Trustees' Finance Committee.

# DESBOROUGH COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Plans for future periods**

- Improve outcomes at KS4 and KS5
- Develop and embed a comprehensive personal development offer across all year groups
- Embed quality CPDL to improve pedagogy and ultimately student progress
- Embed the Desborough Way as a cultural and ethos driver

### **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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 20 December 2021 and signed on its behalf by:

Derek Moss  
**Chair**

# DESBOROUGH COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Desborough College 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 principal, 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 Desborough College Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Zarqa Raja-Asqhar	5	6
John Sparks	6	6
Derek Wilson	6	6
Paulo Honrado (Resigned 5 November 2020)	0	2
Emma O'Connor	6	6
Robert Watson (Resigned 1 September 2020)	0	0
Claire Murray	6	6
Harry Crump (Resigned 31 August 2021)	6	6
Alexander Hughes	6	6
Derek Moss (Chair)	6	6

The board's performance has been good. The new way of working commenced in September 2020 and has led to better engagement and more focused meetings. Triangulation in terms of education priorities has been difficult and has been seriously hampered for a second year, by not being able to visit school with any regularity since the outbreak of the pandemic in March 2020. Remote Learning provision has been improved following the upgrades to the IT infrastructure and has been welcomed by the whole school community. The information which has been received has been in line with that expected particularly during the pandemic. The board will be reviewing its practices over the next year. Currently the school is working with the DfE, ESFA and Pioneer Educational Trust with the expectation that DCAT will join Pioneer Education Trust during the 2021-22 Academic Year. This will result in a complete overhaul of practice.

### Review of value for money

As Accounting Officer, the Principal 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.

# DESBOROUGH COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

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

- Analysed benchmarking results to similar sized schools
- Engaged the SRMA service from ESFA for a detailed analysis of recommended costs savings
- Effected structural change within the finance department to strengthen procedures
- Conduct ICFP mapping to identify efficiency
- Cost-down exercise on curriculum, site and IT spending
- Applied tight purchasing controls and fiscal management in an ongoing continuous improvement cycle
- Driving efficiencies across the admin and support functions, in an ongoing continuous improvement cycle

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Desborough College Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Board of Trustees regularly reviews and monitors 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 review process for identifying, evaluating and managing the Academy Trust's significant risks is by way of a Risk Register and has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. 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 finance, resources and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has appointed an Internal Auditor - Critchleys - to review internal financial and governance controls three times per year.

# DESBOROUGH COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

Critchley's role includes giving advice on adherence to AFH and robustness of internal controls, having performed a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of income systems;
- testing of purchasing systems;
- testing of control account/bank reconciliations;
- testing of procurement/tendering procedures;
- ensuring that the academy trust has complied with the requirements of the Academies Financial Handbook.

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. The accounting officer undertakes to address weaknesses as and when found in the internal assurance programme and ensure the continuous improvement of the Academy's financial processes and controls.

### **Review of effectiveness**

As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Accounting Officer undertakes to address weaknesses as and when found in the internal assurance programme and ensure the continuous improvement of the Academy's financial processes and controls.

Approved by order of the Board of Trustees on 20 December 2021 and signed on its behalf by:

Derek Moss  
**Chair**

# DESBOROUGH COLLEGE ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2021***

---

As Accounting Officer of Desborough College 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 received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

### Non-Financial issues

- The Trust failed to obtain prior approval from the ESFA in relation to a non-statutory/non-contractual severance payment in excess of £50,000. Full details of the amount paid can be found in note 10.

Margaret Callaghan  
**Accounting Officer**

20 December 2021



# DESBOROUGH COLLEGE ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

The trustees (who are also the directors of Desborough College Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 20 December 2021 and signed on its behalf by:

Derek Moss  
**Chair**

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### Opinion

We have audited the accounts of Desborough College Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 accounts 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 statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESBOROUGH COLLEGE ACADEMY TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Use of our report**

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

**Mr Paul Tyler (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

21 December 2021

**Chartered Accountants  
Statutory Auditor**

Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
United Kingdom  
NN15 6BL

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DESBOROUGH COLLEGE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

In accordance with the terms of our engagement letter dated 1 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Desborough College Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Desborough College Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Desborough College 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 Desborough College Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Desborough College Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Desborough College Academy Trust's funding agreement with the Secretary of State for Education dated 1 May 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work undertaken and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
  - Sample test of delegated authority procedures
  - Enquiry and review of transactions with connected persons
  - Review of governance procedures including inspection of trustee and relevant board minutes
  - Sample test of procurement procedures
- Communication with the Accounting Officer

# DESBOROUGH COLLEGE ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DESBOROUGH COLLEGE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Matter 1:**

The Trust failed to obtain prior approval from the ESFA in relation to a non-statutory/non-contractual severance payment in excess of £50,000. Full details of the amount paid can be found in note 10.

### **Reporting Accountant**

Azets Audit Services  
Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL  
United Kingdom

Dated: 21 December 2021

# DESBOROUGH COLLEGE ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2021 £'000s	Total 2020 £'000s
<b>Income and endowments from:</b>						
Donations and capital grants	3	6	-	4,974	4,980	36
Charitable activities:						
- Funding for educational operations	4	12	5,536	-	5,548	4,997
Other trading activities	5	174	-	-	174	120
Investments	6	-	-	-	-	1
<b>Total</b>		<u>192</u>	<u>5,536</u>	<u>4,974</u>	<u>10,702</u>	<u>5,154</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	185	5,677	357	6,219	5,689
<b>Total</b>	7	<u>185</u>	<u>5,677</u>	<u>357</u>	<u>6,219</u>	<u>5,689</u>
<b>Net income/(expenditure)</b>		7	(141)	4,617	4,483	(535)
Transfers between funds	18	-	(43)	43	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	20	-	(239)	-	(239)	(278)
<b>Net movement in funds</b>		7	(423)	4,660	4,244	(813)
<b>Reconciliation of funds</b>						
Total funds brought forward		242	(2,366)	15,537	13,413	14,226
Total funds carried forward		<u>249</u>	<u>(2,789)</u>	<u>20,197</u>	<u>17,657</u>	<u>13,413</u>



# DESBOROUGH COLLEGE ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£'000s	£'000s	£'000s	£'000s
<b>Fixed assets</b>					
Tangible assets	13		15,486		15,537
<b>Current assets</b>					
Debtors	14	4,184		122	
Cash at bank and in hand		1,092		431	
		<u>5,276</u>		<u>553</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(267)		(290)	
<b>Net current assets</b>			5,009		263
<b>Total assets less current liabilities</b>			20,495		15,800
Creditors: amounts falling due after more than one year	16		-		(21)
<b>Net assets before defined benefit pension scheme liability</b>			20,495		15,779
Defined benefit pension scheme liability	20		(2,838)		(2,366)
<b>Total net assets</b>			<u>17,657</u>		<u>13,413</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			20,197		15,537
- Restricted income funds			49		-
- Pension reserve			(2,838)		(2,366)
<b>Total restricted funds</b>			<u>17,408</u>		<u>13,171</u>
<b>Unrestricted income funds</b>	18		249		242
<b>Total funds</b>			<u>17,657</u>		<u>13,413</u>

The accounts on pages 22 to 44 were approved by the Trustees and authorised for issue on 20 December 2021 and are signed on their behalf by:

Derek Moss  
Chair

Company Number 11281798

# DESBOROUGH COLLEGE ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

---

	Notes	2021 £'000s	2020 £'000s	2020 £'000s
<b>Cash flows from operating activities</b>				
Net cash provided by operating activities	21		59	6
<b>Cash flows from investing activities</b>				
Dividends, interest and rents from investments		-	1	
Capital grants from DfE Group		950	20	
Purchase of tangible fixed assets		(306)	(126)	
<b>Net cash provided by/(used in) investing activities</b>			644	(105)
<b>Cash flows from financing activities</b>				
Repayment of long term loan		(42)	(43)	
<b>Net cash used in financing activities</b>			(42)	(43)
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			661	(142)
Cash and cash equivalents at beginning of the year			431	573
<b>Cash and cash equivalents at end of the year</b>			1,092	431

---

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 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

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Desborough College Academy Trust meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and registered in England and Wales. The company's registered number and registered office address can be found on pages 1 to 2 of these financial statements.

The presentation currency of the financial statements is the pound sterling (£'000).

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts. The Trustees have taken consideration of the effects of COVID-19 in making their assessment.

##### 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

###### 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.

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### 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.

#### Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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 that require 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.

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

Land and buildings	2% of cost
Leasehold Improvements	2% of cost
Assets under construction	
Computer equipment	20% of cost
Fixtures, fittings & equipment	10% of cost

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 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 of services it must provide.

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

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

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 projected unit method. The 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 are 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.

#### 1.11 Fund accounting

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

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

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

### 2 Critical accounting estimates and areas of judgement

Accounting 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Capital grants	-	4,974	4,974	20
Other donations	6	-	6	16
	<u>6</u>	<u>4,974</u>	<u>4,980</u>	<u>36</u>

The income from donations and capital grants was £4,980,000 (2020: £36,000) of which £6,000 was unrestricted (2020: £16,000) and £4,974,000 was restricted fixed assets (2020: £20,000).

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,860	4,860	4,430
Other DfE / ESFA grants:				
Pupil premium	-	138	138	143
Teachers pay grants	-	252	252	253
	-----	-----	-----	-----
	-	5,250	5,250	4,826
	=====	=====	=====	=====
<b>Other government grants</b>				
Local authority grants	-	93	93	79
Other Government Grants	-	82	82	6
	-----	-----	-----	-----
	-	175	175	85
	=====	=====	=====	=====
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	66	66	-
Other Coronavirus funding	-	45	45	-
	-----	-----	-----	-----
	-	111	111	-
	=====	=====	=====	=====
Other incoming resources	12	-	12	86
	=====	=====	=====	=====
<b>Total funding</b>	12	5,536	5,548	4,997
	=====	=====	=====	=====

The income from funding for educational operations was £5,548,000 (2020: £4,997,000) of which £12,000 was unrestricted (2020: £86,000) and £5,536,000 was restricted (2020: £4,911,000).

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Pupil Premium, Teachers' Pay Grants and Teachers' Pensions Grants is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.



# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Hire of facilities	2	-	2	1
Other income	172	-	172	119
	<u>174</u>	<u>-</u>	<u>174</u>	<u>120</u>

The income from other trading activities was £174,000 (2020: £120,000) of which £174,000 was unrestricted (2020: £120,000).

### 6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

The income from funding for investment income was £- (2020: £1,000) of which £- was unrestricted (2020: £1,000).

### 7 Expenditure

	Staff costs £'000s	Non-pay expenditure Premises £'000s	Other £'000s	Total 2021 £'000s	Total 2020 £'000s
Academy's educational operations					
- Direct costs	3,941	357	256	4,554	4,288
- Allocated support costs	912	344	409	1,665	1,401
	<u>4,853</u>	<u>701</u>	<u>665</u>	<u>6,219</u>	<u>5,689</u>

#### Net income/(expenditure) for the year includes:

	2021 £'000s	2020 £'000s
Fees payable to auditor for:		
- Audit	10	10
- Other services	3	2
Depreciation of tangible fixed assets	357	340
Net interest on defined benefit pension liability	38	34
	<u>38</u>	<u>34</u>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2021 £'000s	Total 2020 £'000s
<b>Direct costs</b>				
Educational operations	-	4,554	4,554	4,288
<b>Support costs</b>				
Educational operations	185	1,480	1,665	1,401
	<u>185</u>	<u>6,034</u>	<u>6,219</u>	<u>5,689</u>

The expenditure on charitable activities was £6,219,000 (2020: £5,689,000) of which £185,000 was unrestricted (2020: £116,000), £5,677,000 was restricted (2020: £5,233,000) and £357,000 was restricted fixed assets (2020: £340,000).

	2021 £'000s	2020 £'000s
<b>Analysis of support costs</b>		
Support staff costs	912	733
Premises costs	344	357
Legal costs	11	19
Other support costs	385	280
Governance costs	13	12
	<u>1,665</u>	<u>1,401</u>

### 9 Governance costs

	Total 2021 £'000s	Total 2020 £'000s
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal costs	11	19
Auditor's remuneration		
- Audit of financial statements	10	10
- Other audit costs	3	2
	<u>24</u>	<u>31</u>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021 £'000s	2020 £'000s
Wages and salaries	3,273	3,251
Social security costs	320	322
Pension costs	875	825
	<hr/>	<hr/>
Staff costs - employees	4,468	4,398
Agency staff costs	227	66
Staff restructuring costs	158	-
	<hr/>	<hr/>
Total staff expenditure	4,853	4,464
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	137	-
Severance payments	21	-
	<hr/>	<hr/>
	158	-
	<hr/> <hr/>	<hr/> <hr/>

#### Non statutory/non-contractual staff severance payments

Included in staff redundancy costs are non-statutory severance payments of £84,477. Individually, the payments were £5,421, £2,658 and £76,398.

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	54	56
Administration and support	36	49
Management	6	6
	<hr/>	<hr/>
	96	111
	<hr/> <hr/>	<hr/> <hr/>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

(Continued)

#### Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	2	3
£100,001 - £110,000	1	1
£160,000 - £170,000	1	-
	=====	=====

Please note one member of staff in the pay range £160,000 - £170,000 includes severance, pay in lieu of notice and redundancy pay. With normalised annual pay this would have fallen into the range of £70,000 - £80,000.

#### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the Academy Trust was £691,000 (2020: £580,000).

### 11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

During the year ended 31 August 2021 travel expenses totalling £Nil were reimbursed or paid directly to no Trustees (2020: £Nil to no Trustees).

Other related party transactions involving the Trustees are set out in note 26.

### 12 Trustees' and officers' insurance

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

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Land and buildings	Leasehold Improvements	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Cost</b>						
At 1 September 2020	16,141	-	-	110	63	16,314
Additions	-	20	216	55	15	306
At 31 August 2021	16,141	20	216	165	78	16,620
<b>Depreciation</b>						
At 1 September 2020	749	-	-	19	9	777
Charge for the year	323	-	-	27	7	357
At 31 August 2021	1,072	-	-	46	16	1,134
<b>Net book value</b>						
At 31 August 2021	15,069	20	216	119	62	15,486
At 31 August 2020	15,392	-	-	91	54	15,537

The net book value of land and buildings comprises:

	2021 £'000s	2020 £'000s
Long leaseholds (over 50 years)	15,069	15,392

### 14 Debtors

	2021 £'000s	2020 £'000s
Trade debtors	9	7
VAT recoverable	46	28
Prepayments and accrued income	4,129	87
	4,184	122

Included within Prepayments and accrued income is accrued capital income of £4,024,000 (2020: £ Nil) which was committed but not received at the balance sheet date.

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Creditors: amounts falling due within one year

	2021 £'000s	2020 £'000s
Government loans	21	42
Trade creditors	-	157
Other taxation and social security	84	82
Accruals and deferred income	162	9
	<u>267</u>	<u>290</u>

### 16 Creditors: amounts falling due after more than one year

	2021 £'000s	2020 £'000s
Government loans	-	21
	<u>-</u>	<u>21</u>
<b>Analysis of loans</b>	<b>2021 £'000s</b>	<b>2020 £'000s</b>
Wholly repayable within five years	21	63
Less: included in current liabilities	(21)	(42)
	<u>-</u>	<u>21</u>
Amounts included above	<u>-</u>	<u>21</u>
<b>Loan maturity</b>		
Debt due in one year or less	-	42
Due in more than one year but not more than two years	-	21
	<u>-</u>	<u>63</u>

Loan funding is from Salix Loan Financing Ltd under the "Schools energy efficiency loans programme", as approved by ESFA. This loan is interest free and repayable over 8 years.

### 17 Deferred income

	2021 £'000s	2020 £'000s
Deferred income is included within:	<u>-</u>	<u>-</u>
Deferred income at 1 September 2020	-	43
Released from previous years	-	(43)
<b>Deferred income at 31 August 2021</b>	<u>-</u>	<u>-</u>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

	Balance at 1 September 2020 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2021 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,860	(4,768)	(43)	49
Pupil premium	-	138	(138)	-	-
Teachers pay grants	-	252	(252)	-	-
Other government grants	-	286	(286)	-	-
Pension reserve	(2,366)	-	(233)	(239)	(2,838)
	<u>(2,366)</u>	<u>5,536</u>	<u>(5,677)</u>	<u>(282)</u>	<u>(2,789)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	15,208	-	(264)	-	14,944
DfE group capital grants	329	4,974	(93)	43	5,253
	<u>15,537</u>	<u>4,974</u>	<u>(357)</u>	<u>43</u>	<u>20,197</u>
<b>Total restricted funds</b>	<u>13,171</u>	<u>10,510</u>	<u>(6,034)</u>	<u>(239)</u>	<u>17,408</u>
<b>Unrestricted funds</b>					
General funds	242	192	(185)	-	249
	<u>242</u>	<u>192</u>	<u>(185)</u>	<u>-</u>	<u>249</u>
<b>Total funds</b>	<u>13,413</u>	<u>10,702</u>	<u>(6,219)</u>	<u>(239)</u>	<u>17,657</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy together with other restricted general funds.

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

During the year, a transfer of £43,000 (2020: £106,000) was made from restricted general funds to restricted fixed asset funds for fixed assets purchased using unrestricted funds.

During the year, a transfer of £Nil (2020: £26,000) was made from unrestricted funds to restricted general funds.

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

(Continued)

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

	Balance at 1 September 2019 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2020 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	100	4,430	(4,556)	26	-
Pupil premium	-	143	(143)	-	-
Teachers pay grants	-	253	(253)	-	-
Other government grants	-	85	(85)	-	-
Pension reserve	(1,892)	-	(196)	(278)	(2,366)
	<u>(1,792)</u>	<u>4,911</u>	<u>(5,233)</u>	<u>(252)</u>	<u>(2,366)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,543	-	(335)	-	15,208
DfE group capital grants	208	20	(5)	106	329
	<u>15,751</u>	<u>20</u>	<u>(340)</u>	<u>106</u>	<u>15,537</u>
<b>Total restricted funds</b>	<u>13,959</u>	<u>4,931</u>	<u>(5,573)</u>	<u>(146)</u>	<u>13,171</u>
<b>Unrestricted funds</b>					
General funds	267	223	(116)	(132)	242
	<u>267</u>	<u>223</u>	<u>(116)</u>	<u>(132)</u>	<u>242</u>
<b>Total funds</b>	<u>14,226</u>	<u>5,154</u>	<u>(5,689)</u>	<u>(278)</u>	<u>13,413</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	15,486	15,486
Current assets	300	49	4,927	5,276
Creditors falling due within one year	(51)	-	(216)	(267)
Defined benefit pension liability	-	(2,838)	-	(2,838)
<b>Total net assets</b>	<u>249</u>	<u>(2,789)</u>	<u>20,197</u>	<u>17,657</u>



# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	15,537	15,537
Current assets	242	311	-	553
Creditors falling due within one year	-	(290)	-	(290)
Creditors falling due after one year	-	(21)	-	(21)
Defined benefit pension liability	-	(2,366)	-	(2,366)
<b>Total net assets</b>	<b>242</b>	<b>(2,366)</b>	<b>15,537</b>	<b>13,413</b>

### 20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £532,697 (2020:£523,239).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and 5.5 to 6.5% for employees.

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

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£'000s</b>	<b>£'000s</b>
Employer's contributions	121	130
Employees' contributions	40	43
	<hr/>	<hr/>
Total contributions	161	173
	<hr/> <hr/>	<hr/> <hr/>

  

<b>Principal actuarial assumptions</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.9	3.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.6
Inflation assumption (CPI)	2.9	2.3
Commutation of pensions to lump sums	50	50
	<hr/> <hr/>	<hr/> <hr/>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.3	21.5
- Females	24	24.1
Retiring in 20 years		
- Males	22.6	22.9
- Females	25.4	25.5
	<u>          </u>	<u>          </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate + 0.1%	356	330
Discount rate - 0.1%	(380)	(350)
Mortality assumption + 1 year	384	353
Mortality assumption - 1 year	(352)	(328)
CPI rate + 0.1%	368	340
CPI rate - 0.1%	(368)	(340)
	<u>          </u>	<u>          </u>

#### The Academy Trust's share of the assets in the scheme

	<b>2021</b>	<b>2020</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000s</b>	<b>£'000s</b>
Equities	1,038	835
Other bonds	302	187
Cash	35	136
Property	200	203
Other assets	123	69
	<u>          </u>	<u>          </u>
Total market value of assets	1,698	1,430
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £177,000 (2020: £17,000).

#### Amount recognised in the statement of financial activities

	<b>2021</b>	<b>2020</b>
	<b>£'000s</b>	<b>£'000s</b>
Current service cost	316	292
Interest income	(23)	(25)
Interest cost	61	59
	<u>          </u>	<u>          </u>
Total operating charge	354	326
	<u>          </u>	<u>          </u>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations	(Continued)	
<b>Changes in the present value of defined benefit obligations</b>	<b>2021</b>	<b>2020</b>
	<b>£'000s</b>	<b>£'000s</b>
At 1 September 2020	3,796	3,158
Current service cost	316	292
Interest cost	61	59
Employee contributions	40	43
Actuarial loss	392	269
Benefits paid	(69)	(25)
	<u>4,536</u>	<u>3,796</u>
At 31 August 2021	<u>4,536</u>	<u>3,796</u>
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2021</b>	<b>2020</b>
	<b>£'000s</b>	<b>£'000s</b>
At 1 September 2020	1,430	1,266
Interest income	24	25
Actuarial (gain)/loss	153	(8)
Employer contributions	121	130
Employee contributions	40	43
Benefits paid	(70)	(26)
	<u>1,698</u>	<u>1,430</u>
At 31 August 2021	<u>1,698</u>	<u>1,430</u>
<b>21 Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
	<b>£'000s</b>	<b>£'000s</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	4,483	(282)
Adjusted for:		
Capital grants from DfE and other capital income	(950)	(20)
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	195	162
Defined benefit pension scheme finance cost	38	34
Depreciation of tangible fixed assets	357	340
(Increase)/decrease in debtors	(4,062)	111
(Decrease) in creditors	(2)	(85)
	<u>59</u>	<u>259</u>
<b>Net cash provided by operating activities</b>	<u>59</u>	<u>259</u>

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 22 Analysis of changes in net funds

	1 September 2020 £'000s	Cash flows £'000s	31 August 2021 £'000s
Cash	431	661	1,092
Loans falling due within one year	(42)	21	(21)
Loans falling due after more than one year	(21)	21	-
	<u>368</u>	<u>703</u>	<u>1,071</u>

### 23 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 24 Long-term commitments, including operating leases

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

	2021 £'000s	2020 £'000s
Amounts due within one year	-	4

### 25 Capital commitments

	2021 £'000s	2020 £'000s
Expenditure contracted for but not provided in the accounts	4,918	-

# DESBOROUGH COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **26 Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No other related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

### **27 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.