

THE DE FERRERS TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE DE FERRERS TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26 - 27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 55

THE DE FERRERS TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members Rev M Freeman
Mr M Hancock
Mr K Gaunt
The Church of England Central Education Trust
Mrs J Botten (resigned 3 September 2019)

Trustees Mrs C Shaw, Chair of Trustees
Mr A Burns¹
Mrs S Leadley¹
Mr L Molai¹
Mr J Widdowson
Dr J McSorley (resigned 17 July 2020)¹
Mr G Bown (appointed 9 December 2019)
Mrs S Meader (appointed 9 December 2019)
Mrs F Stagg (appointed 16 July 2020)
Mr J Fitchett (appointed 8 September 2020)
Miss A Smith (resigned 4 December 2019)
Mr M Taylor (resigned 27 September 2019)

¹ member of the Finance, Audit and Risk Committee

Company registered number 07442789

Company name The de Ferrers Trust

Principal and registered office St Mary's Drive
Burton on Trent
Staffordshire
DE13 0LL

Company secretary Mrs A Taylor

Chief executive officer Mr I McNeilly

Senior management team Mr I McNeilly (Accounting Officer), Chief Executive
Mr C Brown (resigned 31/08/2020), Director of Education
Mrs A Taylor, Chief Financial Officer
Mrs J Harrison, Chief People Officer
Mrs T Pyszky (resigned 17/07/2020), Director of Governance and Compliance
Mrs K Hardy, Principal
Mrs H Phillips, Principal
Mrs B Breedon, Principal
Mrs V Sharples, Principal
Mrs J Kingswood (resigned 31/01/2020), Principal
Mrs M Oliphant (appointed 01/09/2020), Principal
Mr S Webster, Principal

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Independent auditors Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Bankers Lloyds Bank
16 High Street
Burton on Trent
DE14 1JA

Solicitors Ward Hadaway Solicitors
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

THE DE FERRERS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The de Ferrers Trust ("the Trust") operates three Secondary and four Primary academies in Burton upon Trent and South Derbyshire. Its academies have a combined student capacity of 6,392 and had a roll of 5,302 in the Autumn 2020 census.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of The de Ferrers 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.

b. 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.

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustee which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. Provided that such insurance shall not extend to any claim arising from any act or omission which the Trustee knew to be a breach of trust or breach of duty or which was committed by the Trustee in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustee in their capacity as a director of the Academy Trust.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed to the Trust Board under sections 50-58 of The de Ferrers Trust's Articles of Association, as follows:

- The members may appoint up to eight Trustees;
- The Church of England Central Education Trust (CECET), our corporate member, may appoint a Trustee to ensure that the Christian distinctiveness of one of our academies is maintained;
- The Trustees may co-opt a further two Trustees in order to strengthen the skill-set of the Board.

The Trustees have appointed a local governing body in each of the Trust's academies with provision for two parent governors on each. In view of this decision, Parent Trustees will not be appointed to the Trust Board (although this does not mean that parents cannot act as Trustees). Two of our academies share a local governing body.

The members have approved a Governance Recruitment Policy which details a consistent approach to addressing any vacancies that appear within the governance structure at any level across the Trust.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All new Trustees are welcomed to the Trust by the Governance and Compliance Officer, who is responsible for their induction.

The Trust operates a paperless system for its governance requirements namely 'The Trust Governor'. The online systems allow immediate access to all governance documentation without the necessity of posting an overwhelming induction pack.

All new Trustees are required to sign a declaration confirming their eligibility to perform the role of a director; declare any financial and non-pecuniary interests; and to sign the Trust's Code of Conduct.

The Trustee is allocated a mentor (a more experienced Trustee) to assist them during their first few meetings and at the end of the year an annual review will take place with the Chair of the Trust Board.

A skills audit is completed on appointment and further specific training can be arranged if necessary.

To demonstrate the Trust's commitment to strong governance, the Trust also provides all local governors with a similar induction programme and an ongoing training provision.

The Trust uses the National Governance Association's Learning Link which allows for online training to take place.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

f. Organisational structure

The Board of Trustees has rewritten and reviewed its scheme of delegation during the year in order to improve the functioning of the Trust. The scheme of delegation details how the organisation is structured and who is responsible for making various decisions.

The underlying principles for the scheme of delegation are that all academies in the Trust are in a partnership of equals, irrespective of their length of membership. The Trust Board is mindful it, as a body, has legal responsibility for the Trust as a whole and that its function is to ensure that all statutory obligations are met. As such, each local governing body is in place to seek the necessary assurances on behalf of the Trust Board to enable these obligations to be met.

The governance structure is split into three layers: Trust (members), Trust Board (trustees/directors) and Local Governing Body (governors).

The members are considered the custodians of the Trust and act as a 'check and balance' on the performance of the Trust. The members have a number of powers, one of which is to appoint the majority of the Trustees. The members meet at least once a year but have full access to all minutes of meetings and governance documents in order to maintain oversight. Any decisions that are required between meetings often take place via written resolution. We currently have four members, one of which is our corporate member, CECET. To ensure robust accountability within our governance structure, the Trust has a significant degree of separation between the individuals who are our members and those who are trustees.

The Trustees meet at least five times per year and have strategic oversight and ultimate responsibility for all of the management decisions within the Trust. The Trustees' key responsibilities are to ensure, through their governance structure and leadership team that the Trust is making proper and effective use of public funds and that the quality of provision is guaranteed.

The Trustees have established two sub-committees, namely, the Finance, Audit and Risk Committee and the Standards Committee who each meet three times per year.

The Local Governing Body for each academy meet five times per year in line with the meetings of the trustees and around their own data cycle. The Local Governing Bodies carry out the Trust's vision, policies and priorities. They will play a support and challenge role and will seek assurances on behalf of the trust board that their academies are performing as they should be. They are responsible for making decisions by way of the powers delegated to them by the Trust Board in accordance with their Terms of Reference and Scheme of Delegation.

The day to day management of the Trust is delegated to the Senior Management Team. Details of the Senior Management Team are included in the Reference and Administrative details on page 1.

g. Arrangements for setting pay and remuneration of key management personnel

Working in the academy sector, the Trust believes that it is important to be transparent about pay levels of its key management personnel and how those salaries are set. Salaries are benchmarked against similar roles in the academy sector. The Trust generally uses a recognised pay scale for the sector, however some flexibility is applied to take into consideration the specific requirements for each post and ensure we can recruit and retain the best people for the role with both the skills required and the passion for the service.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	13
Full-time equivalent employee number	13

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	5
51%-99%	-
100%	1

Percentage of pay bill spent on facility time	£000
Total cost of facility time	2
Total pay bill	21,694
Percentage of total pay bill spent on facility time	0.009 %

Paid trade union activities

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

i. Related parties and other connected charities and organisations

The Trust serves a diverse range of communities in Burton upon Trent and South Derbyshire. A register of business interests is maintained at both Trust Board and Local Governing Body level.

j. Engagement with employees (including disabled employees)

The Trust systematically consults with staff on all matters which will affect them. During 2020, a committee of Change Champions has been formed to drive forward positive change in the Trust and to ensure that staff at all levels are part of the consultation process of such change.

Work has also been carried out in 2020 on improving the staff induction programme offered by the Trust as well as updating and improving the Staff Handbook. A full Recruitment and Retention Policy is also in place.

k. Engagement with suppliers, customers and others in a business relationship with the Trust

Stakeholder engagement is very important to the Trustees and it is included clearly within the sixth of the Trust's strategic aims: Establish effective systems to support the sustainable growth of the Trust. The specific objectives within that aim refer to:

6.3 – Establish and develop positive relationships with key stakeholders in the wider sector

6.7 – Communicate clearly within and without the Trust to establish a positive reputation.

As identified within the Objectives, strategies and activities paragraph, the Trustees acknowledge that they will only achieve the stated Vision of the Trust through these objectives by engaging with stakeholders.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Objectives and activities

a. Objects and aims

The Trust vision is:

“To ensure that all the children and young people in our care have the opportunity to fulfil their potential through achieving highly, regardless of their ability or background.”

From September 2019, the Trust’s schools adopted the new values of ‘Work hard, be kind, choose wisely’ in order to support making the vision a reality.

b. Objectives, strategies and activities

Our vision will be achieved by meeting the following six strategic aims:

- Deliver a high-quality education for all pupils;
- Recruit, develop and retain high calibre members of staff;
- Establish and develop robust governance;
- Ensure financial probity and viability;
- Develop a highly efficient trust infrastructure and central services;
- Establish effective systems to support the sustainable growth of the Trust.

Our specific objectives and priority activities for 2019-2021 include:

- to improve the quality of teaching and learning across the Trust and, thereby, pupils’ outcomes;
- to establish collaborative cross-school planning, schemes of work, assessment and moderation in order to raise standards;
- to recruit to attract and retain high calibre professionals across all aspects of the Trust;
- to develop appropriate and personalised CPD pathways for all members of staff;
- commit to ensuring that all members of staff have a manageable work-life balance with the acceptance that working in education is demanding;
- to ensure long-term financial plans are in place and regularly review to ensure that these fit with the long-term strategic aims of the Trust;
- to ensure central services are fit for purpose and complementary to adequate in-school provision;
- to ensure that our vision, ethos and values are understood and acted upon by every stakeholder.

We will achieve these objectives by:

- working closely with all of our Trust academies and their leadership teams;
- further developing cross-faculty sharing of best practice across our secondary schools;
- working with providers of high-quality CPD and training;
- establishing staff focus groups to consider workload issues;
- improving the effectiveness of the central services team through strategic development of staff and systems, in liaison with our schools;
- establishing effective MAT to MAT collaboration;
- engaging with all stakeholders.

c. Public benefit

The principle activity undertaken to further the Trust’s purposes for the public benefit is to advance for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Trust that offers a broad and balanced curriculum.

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report

a. Achievements and performance

The most significant achievement of the Trust during this reporting period was to successfully deal with the plethora of challenges that came following national 'lockdown' on Friday 20 March 2020 due to the effects of Coronavirus. Normality for staff and students was immediately suspended – and this lasted for the rest of the academic year.

The schools' leaders were adaptable, tenacious, creative, considerate, sensitive, supportive and dedicated. They and their staff absolutely lived our Trust's values of 'Work hard, be kind, choose wisely'. Their actions were often not helped by government directives which were not always timely or as clear as they could have been. Teachers and support staff adapted very well to what they had been asked to do, especially given that some of the tasks were completely new to them.

Between 23 March and the beginning of June, schools remained open but only to children of critical workers and those classed by the government as vulnerable. The vast majority of staff worked from home whilst others came in on a rota system to contribute to caring for those pupils in attendance. Some schools remained open during the 'holidays', including Bank Holidays. Identifying a real economic need, school staff put together food parcels for families identified as being in need of support and personally delivered these to homes.

Remote learning – and the need to do this as effectively as possible – became an immediate priority. Fortunately, The de Ferrers Academy was in a far better position to facilitate this than most schools nationally as all students in Year 9 and above have an iPad and there are well-established learning platforms to support this approach. Several year groups in both The Pingle Academy and Granville Academy also had access to iPads. All three secondary schools dealt with remote learning well and have learned lessons for the future. Children who could not access technology were identified and supported by the schools and, in turn, the DfE.

Our primary schools also rose to the challenge, though remote learning through technological means was less prevalent, partly due to the age of the children and the fact that these practices were not as embedded in usual practice as they were in our secondary schools. Pupil engagement with work set was more variable in the primary phase than at secondary level. Regardless, staff generally did an exemplary job in terms of offering support and many pupils were dedicated to completing the work that they were set.

In terms of the accountability system, 2020 will have an asterisk against it – whether literal or metaphorical. Pupils in year groups in our primary schools who would normally have been assessed for their own, the schools' and national accountability purposes (Early Years, Year 1, Year 2 and Year 6) were not afforded this opportunity and no validated outcomes data exists for these classes of 2020. Although understandable, it is a shame for those schools who were looking forward to evidencing clear year-on-year improvement. In the case of our Trust, this was most evident at Eton Park Juniors who were expecting significant gains for their Year 6 pupils after the previous cohort underachieved in 2019.

Inevitably, outcomes for those students completing Years 11-13 could not simply be scrapped as they determine students' next steps and related life choices. There was never going to be an ideal system for administering and allocating grades across a national cohort with incomplete evidence and no external examinations. Schools were directed to formulate 'Centre Assessed Grades' (CAGs) based on as much evidence as they could muster. All the secondary schools in our Trust were in a good position to do this (although there was inevitable inconsistency between some departments) and a very robust and rigorous, cross-Trust procedure was created by our Trust Leader for Assessment, 11-19.

Subject leaders and their colleagues, in discussion with senior leaders, had to decide on a rank order for all of their students – not an easy task given there were as many as 340 students in a cohort. Considerations were very thorough; in short, as with everything else, our schools and the staff did the best they could to meet the challenges presented to them in the best interests of the young people in their care.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report (continued)

(continued)

Schools which were genuinely improving and/or had a much more able or engaged cohort than previous years were disadvantaged in 2020. This is because one of the main factors in the national analysis was schools' previous performance. There was a risk that The de Ferrers Academy would be particularly affected by this. With new leadership and revised structures and expectations in place, risen to by staff, significant improvements in outcomes were expected. Thankfully, this was reflected in the national exercise via a significant increase in the Progress 8 measure though, perhaps inevitably, some specific areas were disadvantaged.

Given the context as described, the following should be treated with understandable caution: overall progress for Year 11 students improved significantly at The de Ferrers Academy compared to the previous year's students whereas it remained relatively static at The Pingle Academy. It declined at Granville Academy which had been expected.

At Post-16, there was significant overall improvement for these students at The Pingle Academy. Progress remained relatively static at The de Ferrers Academy, albeit with improvement shown specifically for those students taking A-level qualifications.

The robustness and rigour of the system employed by the Trust was reflected in some outcomes actually declining from 2019 to 2020, in contrast to a general, national trend of significant improvement. In the wider scheme of things, our students all had an appropriate destination to go to for their next stage though for a minority, admittedly, it might not have been where they originally intended.

'Achievement' is an idea which is always viewed too narrowly in education, usually through the narrow prism of students' academic outcomes. The most challenging year in education since World War Two has reminded us that achievement is a concept that is much more multi-faceted than this.

b. Financial review

During the year the Trust received income of £29,263,000 (2019: £26,869,000) in government and local authority grants and £612,000 (2019: £673,000) of other income totalling £29,875,000 (2019: £27,542,000). It also received £nil (2019: £3,169,000) of assets donated from the local authority when a school converted to join the Trust taking total incoming resources to £29,875,000 (2019: £30,711,000).

Total expenditure amounted to £30,535,000 (2019: £28,795,000). Academies within the Trust are encouraged to utilise annual income during the year in which funding is received (i.e. maintain a break-even position) whilst working within a more medium term (3-5 years) financial plan.

The underlying income and expenditure have grown in line with growth in the student population of the Trust. As a Trust we qualified for the School Condition Allowance (SCA) funding regime for the first time this year and as such received £1,372,000 (2019: £924,000) of capital funding which will be spent across our Trust estate.

The financial position on overall net assets has decreased during the year with net assets totalling £44,628,000 at 31 August 2020 (compared to £45,843,000 at 31 August 2019). The main movements in this financial position are:

- a decrease in tangible fixed assets of £533,000 which relates to the net impact of fixed asset additions less depreciation charged for the year;
- an increase in cash balances of £1,088,000 due to SCA funding received prior to the year end but not spent;
- an increase of £1,869,000 in the total defined benefit pension scheme liability following actuarial valuation.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report (continued)

(continued)

c. Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies within the Trust, and its finances. The Trustees have implemented a number of systems to assess these risks as well as operational procedures and internal controls to manage these risks. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Trust is developing an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trust utilises CIF and Salix loan facilities which are interest free or have below market rate interest rates in order to fund capital projects where necessary. At 31 August 2020 the outstanding balances on the loan facilities was £244,000 (2019: £342,000).

d. Key performance indicators

We have restricted ourselves, for the purposes of this report, to the education and financial aspects of the Trust.

Education:

In line with the Trust's vision, we aim for all children and young people to achieve highly. 'Achieve' means different things to and for different people. However, we aim to provide a quality of education which means that the young people who leave our care are in the position to contribute positively to society and to live fruitful and active lives.

In terms of educational outcomes, we expect our cohorts of children and young people, whatever their age, to achieve positive progress scores across all subject areas.

One key performance indicator is reflected through the creation of our curricula, both at primary and secondary phases. Although educational outcomes are hugely important, they are not the be all and end all. We aim to establish curricula which give all students, of whatever ability and background, access to a wide range of subjects, including the arts, which have seen a reduction in teaching time, nationally. We also give prominence to the teaching of Personal, Social and Health Education alongside a programme of Values.

Financial:

The medium-term key financial performance indicators of the Trust are focused on the generation of income through sustained student numbers, and management of expenditure and cash flow, as follows:

- student intake in Reception, Year 3 and Year 7 of at least 90% PAN;
- staff costs of no more than 80% total revenue income;
- expenditure within approved budget, unless deficit is part of a medium-long term plan approved by the Board of Trustees;
- minimum cash level to fund at least one month's average expenditure.

Recurring staff costs are currently around 80% (2019: 81%) of total revenue income.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report (continued)

(continued)

e. 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 they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

f. Promoting the success of the company

The Trustees understand their obligations around promoting the success of the Trust and the need to have due regard for:

- The likely consequences of any decisions in the long term;
- The interests of the Trusts employees;
- The need to foster the Trust's business relationships with suppliers, customers and others (as discussed on page 7 of this report);
- The impact of the Trust's operations on the community and the environment;
- The desirability of the Trust maintaining a reputation for high standards of business conduct;
- The need to act fairly.

a. Reserves policy

The level of reserves held considers the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements. The aim is to maintain reserves at a minimum level of one month's average revenue expenditure (which is currently around £2million).

The Trust held fund balances at 31 August 2020 of £44,628,000 (2019: £45,843,000) comprising an amount of £2,295,000 (2019: £2,296,000) in respect of unrestricted general funds, £54,593,000 (2019: £53,989,000) in respect of restricted fixed asset funds, and a deficit of £12,325,000 (2019: deficit of £10,456,000) in respect of the pension reserve and £65,000 (2019: £14,000) in respect of restricted general funds.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £2,360,000 (2019: £2,310,000) which is slightly higher than the aim of £2 million.

The level of reserves will be kept under review by Trustees.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report (continued)

(continued)

b. Investment policy

Cash flow and current account balances will be regularly monitored to ensure immediate financial commitments can be met (e.g. payroll and supplier payments), and that the current account has adequate balances to meet forthcoming commitments. In practice, a working balance of between £250,000 and £750,000 is likely to be maintained in the Trust's current account.

The Trust will normally seek to avoid its current account going overdrawn as this is not permitted by the Academies Financial Handbook.

Funds surplus to immediate cash requirements will be identified and transferred to Lloyds High Interest Deposit accounts, or to Virgin Charity Deposit account, bearing a higher interest rate.

Periodically (at least annually) interest rates will be reviewed and compared with other investment opportunities.

Funds will only be invested in low risk and easily accessible deposit accounts. Funds can be invested for periods from six weeks to 12 months or more based on medium to long term forecast and financial planning.

c. Principal risks and uncertainties

The Trustees have considered the principal risks and uncertainties facing the Trust and consider the following to be the most significant challenges over the next 12 months:

- bridging the gap following disruption to children's education due to the recent school closures during the ongoing Covid-19 pandemic;
- changes in the inspection framework – renewed focus on the ethos and validity of curriculum design;
- understanding of new, recent and further revised exam specifications across the Trust.

d. Fundraising

Any fundraising activities undertaken by the schools in the Trust comply with the requirements of the Charities (Protection and Social Investments) Act 2016.

Fundraising is not part of our core business and is incidental to the main charitable objectives. Commercial participators/professional fundraisers are not used. Any funds collected from the public for charitable causes are held on the balance sheet as "other creditors" until they are passed over to the relevant charity. No fundraising income is included within the income of the Trust shown in the Statement of Financial Activities.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Strategic report (continued)

(continued)

e. Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,835,179
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	619.83
Academy vehicles	0.00
<u>Total scope 1</u>	619.83
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	341.35
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Staff mileage in year on academy business	0.00
Total gross emissions in metric tonnes CO2e	961.18
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.19

Quantification and Reporting Methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measurements taken to improve energy efficiency

We have started a programme of installing energy efficient lighting in our academies, this programme is set to roll out to the remaining two secondary academies during 2021.

We encourage staff to limit their travel between sites and have recently invested in better video conferencing software to enable increased video conferencing, this will include our Whole Trust INSET Day in January 2020, which will be carried out remotely via video conferencing.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Plans for future periods

In accordance with the aims and objectives of the Trust it will continue to drive improvements in the levels of performance of its students at all levels and will continue its efforts to ensure its students gain employment or a place in higher education. Each academy in the Trust will continue to develop its facilities for its staff and students.

Specific plans for future periods, including our key challenges and opportunities, include:

- to manage the ongoing educational impacts of the recent and ongoing Covid-19 pandemic and resulting school closures, including the further development of blended/remote learning;
- to build on the Chief Executive's already established philosophy of distributed leadership through our 'Trust Leaders' initiative, leading to improved effectiveness of practice
- continued development of Trust-wide standards of teaching and learning to improve educational outcomes in all Trust schools;
- to further develop and align our cross-Trust strategic and development plans
- review and improve marketing of the Trust, including updating all Trust websites and school signage;
- to further develop and build on our Trust to Trust collaborative work.

Auditor

Following a tender process, Smith Cooper Audit Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

C Shaw
Chair of Trustees

THE DE FERRERS TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The de Ferrers Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Six meetings were originally scheduled but one fell in the first week of the National lockdown and so it was cancelled. During that time the Trustees were in regular email dialogue with the Trust Executive Team and a detailed decisions log was maintained.

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

Trustee	Meetings attended	Out of a possible
Mrs C Shaw, Chair of Trustees	4	5
Mr A Burns	4	5
Mrs S Leadley	5	5
Mr L Molai	2	5
Mr J Widdowson	3	5
Dr J McSorley (resigned 17 July 2020)	4	5
Mr G Bown (appointed 9 December 2019)	3	3
Mrs S Meader (appointed 9 December 2019)	3	3
Mrs F Stagg (appointed 16 July 2020)	0	0
Mr J Fitchett (appointed 8 September 2020)	0	0
Miss A Smith	0	0
Mr M Taylor	0	0

Governance reviews

The Trust Board have continued their focus on embedding the actions taken to address the recommendations coming out of that report.

Significant work has been undertaken to ensure that the Trust Vision is articulated and understood by all stakeholders. The scheme of delegation continues to evolve and is seen as a live document. The governance structure across the Trust is now much more widely understood.

Chairs and Clerks Briefings are also held prior to every meeting cycle so that important messages can be relayed and standing agenda items can be delivered.

Risk Management

The Trust Board have established a sub-committee to address Finance, Audit and Risk. Its purpose is to:

- Have strategic oversight of the external audit process, including recommending to the members the re-appointment of the external auditors.
- Have strategic oversight of the internal audit and to make recommendations to the Board accordingly.

THE DE FERRERS TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board.
- To review the effectiveness of the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- To review the adequacy and robustness of risk registers.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Burns, Chair	2	2
Mrs S Leadley	1	2
Mr L Molai	2	2
Dr J McSorley (resigned 17 July 2020)	1	2

Review of value for money

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

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

- Improving educational outcomes - The Trust continues to demonstrate effective use of resources through continued improvement in educational outcomes for our students. The Trust makes effective use of Pupil Premium funding to target individual students.
- Income generation - The academies in the Trust continue to develop their community programmes, trying to encompass the facilities across all Trust sites.
- Careful financial management - the Trust has been successful in building its reserves so that there are funds available to:
 - Maintain a prudent level of contingency (see Reserves policy);
 - Cope with the lagged funding methodology in place and the threat of flat funding going forwards;
 - Contribute to essential capital projects.
- Cost reviews - external expert advice is sought where appropriate, competitive quotes/tenders are sought for expenditure over £10k, frameworks (such as CPC) are used where appropriate.

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 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 The de Ferrers Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

THE DE FERRERS TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

The 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, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mazars LLP as internal auditor.

However, full internal audit work is not deemed to be necessary. Mazars LLP have been engaged during the year to carry out finance based controls visits and reporting. Two such visits have taken place covering The Pingle Academy and Granville Academy. Mazars LLP have also been engaged during the year to review Estates Management, focussing on Health and Safety processes.

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

THE DE FERRERS TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance processes in place;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 15 December 2020 and signed on their behalf by:

Mrs C Shaw
Chair of Trustees

Mr I McNeilly
Accounting Officer

THE DE FERRERS TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Ian McNeilly
Chief Executive and Accounting Officer

Date: 15 December 2020

THE DE FERRERS TRUST
(A company limited by guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

C Shaw
Chair of Trustees

Date: 15 December 2020

THE DE FERRERS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE FERRERS TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE DE FERRERS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE FERRERS TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

THE DE FERRERS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE FERRERS TRUST (CONTINUED)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Sarah Flear (Senior statutory auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

7 January 2021

THE DE FERRERS TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DE FERRERS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 May 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The de Ferrers Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The de Ferrers Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The de Ferrers Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

Conclusion

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

Smith Cooper Audit Limited
2 Lace Market Square
Nottingham
NG1 1PB

Date: 7 January 2021

THE DE FERRERS TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:					
Donations and capital grants:					
4					
Transfer from local authority on conversion	-	-	-	-	3,169
Other donations and capital grants	2	6	1,798	1,806	1,602
Charitable activities:					
Funding for the Trust's educational operations	5	18	27,759	-	27,777
Other trading activities	6	87	192	-	279
Investments	7	13	-	-	13
	<u>120</u>	<u>27,957</u>	<u>1,798</u>	<u>29,875</u>	<u>30,711</u>
Total income					
Expenditure on:					
Raising funds	8	33	-	-	33
Charitable activities:					
Trust educational operations	9	-	29,122	1,380	30,502
	<u>33</u>	<u>29,122</u>	<u>1,380</u>	<u>30,535</u>	<u>28,795</u>
Total expenditure					
Net income/(expenditure)	<u>87</u>	<u>(1,165)</u>	<u>418</u>	<u>(660)</u>	<u>1,916</u>
Transfers between funds	20	(88)	(98)	186	-
Net movement in funds before other recognised gains/(losses)	<u>(1)</u>	<u>(1,263)</u>	<u>604</u>	<u>(660)</u>	<u>1,916</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	27	-	(555)	-	(555)
Net movement in funds	<u>(1)</u>	<u>(1,818)</u>	<u>604</u>	<u>(1,215)</u>	<u>(1,505)</u>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Note					
Reconciliation of funds:					
Total funds brought forward	2,296	(10,442)	53,989	45,843	47,348
Net movement in funds	(1)	(1,818)	604	(1,215)	(1,505)
Total funds carried forward	<u>2,295</u>	<u>(12,260)</u>	<u>54,593</u>	<u>44,628</u>	<u>45,843</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 55 form part of these financial statements.

THE DE FERRERS TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07442789

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	52,743	53,276
Current assets			
Debtors	16	1,162	1,009
Cash at bank and in hand	25	4,483	3,395
		5,645	4,404
Creditors: amounts falling due within one year	17	(1,286)	(1,137)
Net current assets		4,359	3,267
Total assets less current liabilities		57,102	56,543
Creditors: amounts falling due after more than one year	19	(149)	(244)
Net assets excluding pension liability		56,953	56,299
Defined benefit pension scheme liability	27	(12,325)	(10,456)
Total net assets		44,628	45,843
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	54,593	53,989
Restricted income funds	20	65	14
		54,658	54,003
Restricted funds excluding pension asset	20	54,658	54,003
Pension reserve	20	(12,325)	(10,456)
Total restricted funds	20	42,333	43,547
Unrestricted income funds	20	2,295	2,296
Total funds		44,628	45,843

The financial statements on pages 26 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

C Shaw
Chair of Trustees

Date: 15 December 2020

THE DE FERRERS TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	<i>2019</i> <i>£000</i>
Cash flows from operating activities			
Net cash used in operating activities	22	(42)	(2,042)
Cash flows from investing activities	24	1,228	1,356
Cash flows from financing activities	23	(98)	(105)
Change in cash and cash equivalents in the year		1,088	<i>(791)</i>
Cash and cash equivalents at the beginning of the year		3,395	4,186
Cash and cash equivalents at the end of the year	25	<u>4,483</u>	<u><i>3,395</i></u>

The notes on pages 30 to 55 form part of these financial statements

THE DE FERRERS TRUST
(A company limited by guarantee)

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

1. General information

The de Ferrers Trust is a charitable company limited by guarantee, incorporated in England, United Kingdom. The address of its principal place of business and registered number is given on page 1 of these financial statements. The nature of its operations are set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

The de Ferrers Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is the functional currency of the Academy Trust. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

The Trust has reviewed the way in which certain income is classified in the Statement of Financial Activities. That review concluded that certain income should be classified as restricted as they are donations which have certain restrictions attached and recognition in restricted income would match the income with expenditure to which it relates. The appropriate notes to the financial statements have been restated accordingly.

2.2 Going concern

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

THE DE FERRERS TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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.

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

2.4 Expenditure

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

• **Expenditure on raising funds**

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

THE DE FERRERS TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- Not depreciated
Freehold property	- 50 years straight line
Long leasehold land and property	- Shorter of useful economic life or length of lease (125 years)
Short leasehold land and property	- Shorter of useful economic life or length of lease (25 years)
Furniture and equipment	- 10 years straight line
Computer equipment	- 4 years straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

The Trust have certain land and buildings which have been leased from Lichfield Diocesan Trust under a supplemental lease agreement, to which Lichfield Diocesan Board of Education is also a party. The lease gives the Trust the right to occupy and use these buildings and, notwithstanding the rights of Lichfield Diocesan Trust to give notice to vacate, which they have not done, the substance is that this will be on an ongoing basis over the expected useful life of the buildings. Therefore, the Trustees consider that substantially all of the risks and rewards of ownership have been transferred to the Trust and the asset has been recognised within tangible fixed assets.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

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

2.7 Provisions

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

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

2.8 Operating leases

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

2.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

2.10 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

2.12 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

2.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgment. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Trust expects to consume the future economic benefits embodied in the assets.

4. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	2	6	-	8	172
Capital grants	-	-	1,798	1,798	1,430
Transfer from local authority on conversion	-	-	-	-	3,169
	<u>2</u>	<u>6</u>	<u>1,798</u>	<u>1,806</u>	<u>4,771</u>
<i>Total 2019 as restated</i>	<u>55</u>	<u>(263)</u>	<u>4,979</u>	<u>4,771</u>	

THE DE FERRERS TRUST
(A company limited by guarantee)

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

5. Funding for the Trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>As restated Total funds 2019 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	23,382	23,382	22,294
Other DfE group grants	-	2,897	2,897	1,800
	-	26,279	26,279	24,094
Other government grants				
Special educational projects	-	886	886	799
Local authority grants	-	300	300	255
	-	1,186	1,186	1,054
Other income from the Trust's educational operations				
Educational visits income	-	93	93	359
Other income	18	201	219	127
	18	294	312	486
	18	27,759	27,777	25,634
<i>Total 2019 as restated</i>	24	25,610	25,634	

THE DE FERRERS TRUST
(A company limited by guarantee)

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

6. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>As restated Total funds 2019 £000</i>
Hire of facilities	85	-	85	132
Music tuition	-	5	5	7
Parental contributions	-	61	61	59
Exam fees	-	3	3	6
Other income	2	17	19	59
Early Help services	-	106	106	29
	<u>87</u>	<u>192</u>	<u>279</u>	<u>292</u>
<i>Total 2019 as restated</i>	<u>139</u>	<u>153</u>	<u>292</u>	

7. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Short term deposits	<u>13</u>	<u>13</u>	<u>14</u>
<i>Total 2019</i>	<u>14</u>	<u>14</u>	

THE DE FERRERS TRUST
(A company limited by guarantee)

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

8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2020	2020	2020	2020	<i>2019</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on raising funds:					
Direct costs	33	-	-	33	28
The Trust's educational operations					
Direct costs	20,021	-	1,679	21,700	20,376
Allocated support costs	4,156	1,957	2,689	8,802	8,391
	<u>24,210</u>	<u>1,957</u>	<u>4,368</u>	<u>30,535</u>	<u>28,795</u>
<i>Total 2019</i>	<u>21,785</u>	<u>3,588</u>	<u>3,422</u>	<u>28,795</u>	

9. Analysis of expenditure by activities

	Activities	Support	Total	<i>Total</i>
	undertaken	costs	funds	<i>funds</i>
	2020	2020	2020	<i>2019</i>
	£000	£000	£000	<i>£000</i>
The Trust's educational operations	21,700	8,802	30,502	28,767
	<u>20,376</u>	<u>8,391</u>	<u>28,767</u>	
<i>Total 2019</i>	<u>20,376</u>	<u>8,391</u>	<u>28,767</u>	

THE DE FERRERS TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	<i>As restated Total funds 2019 £000</i>
Staff costs	4,156	3,629
Depreciation	1,116	1,061
Technology costs	221	239
Governance costs	45	120
Premises costs	1,957	2,527
Other support costs	1,307	815
	8,802	8,391

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	<i>2019 £000</i>
Operating lease rentals	69	79
Depreciation of tangible fixed assets	1,116	1,061
Fees paid to auditors for:		
- audit	23	26
- other services	3	9
	1,211	1,175

There were no individual transactions exceeding £5,000 falling under the following headings:

- Gifts made by the Trust
- Fixed asset losses
- Stock losses
- Cash losses

Included within expenditure are unrecoverable debts of £9,000. There were no individual transactions exceeding £5,000.

Ex-gratia payments totalling £86,063 were made during the year. Individual transactions exceeding £5,000 were as follows; £6,455, £5,608, £12,000 and £50,000.

The legal authority sought to make ex-gratia payments followed the Academies Financial Handbook 2019, being delegated authority or approval from the Education and Skills Funding Agency.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>As restated</i>
	£000	<i>2019</i>
		<i>£000</i>
Wages and salaries	17,028	16,025
Social security costs	1,695	1,571
Pension costs	4,887	3,486
	<u>23,610</u>	<u>21,082</u>
Agency staff costs	464	739
Staff restructuring costs	136	27
	<u>24,210</u>	<u>21,848</u>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	50	22
Severance payments	86	5
	<u>136</u>	<u>27</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £86,063 (2019: £5,246). Individually, the payments were £6,455, £5,608, £12,000 and £50,000.

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	270	269
Administration and support	360	363
Management	39	41
	<u>669</u>	<u>673</u>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

11. Staff costs (continued)

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	4	2
In the band £110,001 - £120,000	1	1
	=====	=====

e. Key management personnel

The key management personnel of the 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 employer national insurance contributions) received by key management personnel for their services to the Trust was £1,143,271 (2019: £1,045,077).

12. Central services

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

- External and internal audit
- Teacher recruitment advertising
- External and internal HR support and payroll bureau fees
- All costs of ICT provisions and finance software licence
- Educational support
- Finance and premises support
- Governance and compliance support

The Trust charges for these services on the following basis: 5.5% of the Academy's GAG income.

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
The de Ferrers Academy	560	543
The Pingle Academy	335	313
Granville Academy	195	178
Lansdowne Infants	45	44
Eton Park Junior	53	51
Horninglow Primary	49	49
Richard Wakefield C.E. Primary	49	48
Total	===== 1,286	===== 1,226

THE DE FERRERS TRUST
(A company limited by guarantee)

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

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, travel expenses totalling £26 were reimbursed to 1 Trustee (2019 - £52 to 1 Trustee).

14. Trustees' and Officers' insurance

The 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 protects 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 membership.

15. Tangible fixed assets

	Freehold land and property £000	Leasehold land and property £000	Furniture and equipment £000	Computer equipment £000	Assets under the course of construction £000	Total £000
Cost or valuation						
At 1 September 2019	23,873	32,737	1,290	734	-	58,634
Additions	20	-	46	198	319	583
Disposals	-	-	-	(142)	-	(142)
At 31 August 2020	<u>23,893</u>	<u>32,737</u>	<u>1,336</u>	<u>790</u>	<u>319</u>	<u>59,075</u>
Depreciation						
At 1 September 2019	737	2,918	1,022	681	-	5,358
Charge for the year	265	638	134	79	-	1,116
On disposals	-	-	-	(142)	-	(142)
At 31 August 2020	<u>1,002</u>	<u>3,556</u>	<u>1,156</u>	<u>618</u>	<u>-</u>	<u>6,332</u>
Net book value						
At 31 August 2020	<u><u>22,891</u></u>	<u><u>29,181</u></u>	<u><u>180</u></u>	<u><u>172</u></u>	<u><u>319</u></u>	<u><u>52,743</u></u>
At 31 August 2019	<u><u>23,136</u></u>	<u><u>29,819</u></u>	<u><u>268</u></u>	<u><u>53</u></u>	<u><u>-</u></u>	<u><u>53,276</u></u>

Included in freehold land and property is freehold land with a value of £10,592,541 (2019: £10,592,541) which is not depreciated.

Included in leasehold land and property is a short leasehold with a carrying value of £3,754,380 (2019: £3,830,400).

THE DE FERRERS TRUST
(A company limited by guarantee)

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

16. Debtors

	2020	<i>As restated</i>
	£000	<i>2019</i>
		<i>£000</i>
Due within one year		
Trade debtors	4	27
Other debtors	422	266
Prepayments and accrued income	600	419
VAT recoverable	136	297
	1,162	<i>1,009</i>
	1,162	<i>1,009</i>

17. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Other loans	95	98
Trade creditors	150	536
Other creditors	76	40
Accruals and deferred income	965	463
	1,286	<i>1,137</i>
	1,286	<i>1,137</i>

Included within other loans are loans from Salix Finance Ltd of £5,000 (2019: £8,000) which have fixed repayment terms up to September 2023. These loans do not bear any interest and are not secured against any asset.

Other loans also include loans from the ESFA under the Condition Improvement Fund of £90,000 (2019: £90,000) which have fixed repayment terms up to August 2022. Interest on these loans is charged at 2.1% per annum and the loans are not secured against any asset.

18. Deferred income

	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	211	211
Resources deferred during the year	85	211
Amounts released from previous periods	(211)	(211)
Deferred income at 31 August 2020	85	<i>211</i>
	85	<i>211</i>

Included within deferred income is £21,350 for educational visits taking place after the year end and £63,157 for grant funds received in advance of entitlement.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

19. Creditors: Amounts falling due after more than one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Other loans	149	<i>244</i>
	=====	<i>=====</i>

Included within the above are amounts falling due as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Between one and two years		
Other loans	93	<i>96</i>
	=====	<i>=====</i>
Between two and five years		
Other loans	56	<i>148</i>
	=====	<i>=====</i>

Included within other loans are loans from Salix Finance Ltd of £6,000 (2019: £11,000) which have fixed repayment terms up to September 2023. These loans do not bear any interest and are not secured against any asset.

Other loans also include loans from the ESFA under the Condition Improvement Fund of £143,000 (2019: £233,000) which have fixed repayment terms up to August 2022. Interest on these loans is charged at 2.1% per annum and the loans are not secured against any asset.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

20. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	2,296	120	(33)	(88)	-	2,295
Restricted general funds						
General Annual Grant (GAG)	-	23,382	(23,284)	(98)	-	-
Other DfE group grants	-	2,897	(2,885)	-	-	12
Other government grants	-	1,186	(1,134)	-	-	52
Other restricted funds	14	486	(499)	-	-	1
Donations	-	6	(6)	-	-	-
Pension reserve	(10,456)	-	(1,314)	-	(555)	(12,325)
	<u>(10,442)</u>	<u>27,957</u>	<u>(29,122)</u>	<u>(98)</u>	<u>(555)</u>	<u>(12,260)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	53,989	1,798	(1,380)	186	-	54,593
Total Restricted funds	<u>43,547</u>	<u>29,755</u>	<u>(30,502)</u>	<u>88</u>	<u>(555)</u>	<u>42,333</u>
Total funds	<u><u>45,843</u></u>	<u><u>29,875</u></u>	<u><u>(30,535)</u></u>	<u><u>-</u></u>	<u><u>(555)</u></u>	<u><u>44,628</u></u>

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

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

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

Restricted general funds comprise of all other restricted funds received and include grants from the Department for Education and will only be used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the

THE DE FERRERS TRUST
(A company limited by guarantee)

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

20. Statement of funds (continued)

amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
The de Ferrers Academy	550	<i>1,014</i>
The Pingle Academy	337	<i>344</i>
Granville Academy	118	<i>176</i>
Lansdowne Infants	46	<i>15</i>
Eton Park Junior	42	<i>58</i>
Horninglow Primary	18	<i>49</i>
Richard Wakefield C.E. Primary	41	<i>44</i>
Central	1,208	<i>610</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,360	<i>2,310</i>
Restricted fixed asset fund	54,593	<i>53,989</i>
Pension reserve	(12,325)	<i>(10,456)</i>
	<hr/>	<hr/>
Total	44,628	<i>45,843</i>
	<hr/> <hr/>	<hr/> <hr/>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	<i>Total 2019 £000</i>
The de Ferrers Academy	8,008	1,005	326	1,652	10,991	11,248
The Pingle Academy	5,447	678	100	821	7,046	6,704
Granville Academy	2,987	317	142	557	4,003	3,686
Lansdowne Infants	816	111	66	152	1,145	1,101
Eton Park Junior	785	134	28	149	1,096	1,158
Horninglow Primary	882	95	34	129	1,140	1,198
Richard Wakefield C.E. Primary	764	140	16	126	1,046	1,075
Central	332	1,709	15	896	2,952	1,919
Trust	<u>20,021</u>	<u>4,189</u>	<u>727</u>	<u>4,482</u>	<u>29,419</u>	<u>28,089</u>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds					
General funds	2,080	231	(15)	-	2,296
Restricted general funds					
General Annual Grant (GAG)	-	22,293	(22,293)	-	-
Other DfE group grants	-	1,801	(1,801)	-	-
Other government grants	-	1,054	(1,054)	-	-
Other restricted funds	183	633	(802)	-	14
Pension reserve	(5,889)	(275)	(871)	(3,421)	(10,456)
	<u>(5,706)</u>	<u>25,506</u>	<u>(26,821)</u>	<u>(3,421)</u>	<u>(10,442)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	50,974	4,979	(1,964)	-	53,989
Total Restricted funds	<u>45,268</u>	<u>30,485</u>	<u>(28,785)</u>	<u>(3,421)</u>	<u>43,547</u>
Total funds	<u><u>47,348</u></u>	<u><u>30,716</u></u>	<u><u>(28,800)</u></u>	<u><u>(3,421)</u></u>	<u><u>45,843</u></u>

A reallocation of income and expenditure has been made between unrestricted and restricted funds. Cumulative brought and carried forward reserves were unaffected.

THE DE FERRERS TRUST
(A company limited by guarantee)

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	52,743	52,743
Current assets	2,295	1,500	1,850	5,645
Creditors due within one year	-	(1,286)	-	(1,286)
Creditors due in more than one year	-	(149)	-	(149)
Provisions for liabilities and charges	-	(12,325)	-	(12,325)
Total	2,295	(12,260)	54,593	44,628

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	53,276	53,276
Current assets	2,296	1,395	713	4,404
Creditors due within one year	-	(1,137)	-	(1,137)
Creditors due in more than one year	-	(244)	-	(244)
Provisions for liabilities and charges	-	(10,456)	-	(10,456)
Total	2,296	(10,442)	53,989	45,843

THE DE FERRERS TRUST
(A company limited by guarantee)

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

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Net (expenditure)/income for the period (as per Statement of financial activities)	(660)	<i>1,916</i>
Adjustments for:		
Depreciation	1,116	<i>1,061</i>
Capital grants from DfE and other capital income	(1,798)	<i>(1,589)</i>
Interest receivable	(13)	<i>(14)</i>
Defined benefit pension scheme cost less contributions payable	1,105	<i>690</i>
Defined benefit pension scheme finance cost	209	<i>181</i>
Increase in debtors	(153)	<i>(58)</i>
Increase/(decrease) in creditors	152	<i>(1,060)</i>
Net assets transferred from local authority	-	<i>(3,444)</i>
Defined benefit pension scheme obligation inherited	-	<i>275</i>
Net cash used in operating activities	(42)	<i>(2,042)</i>

23. Cash flows from financing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Repayments of borrowing	(98)	<i>(105)</i>
Net cash used in financing activities	(98)	<i>(105)</i>

24. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	13	<i>14</i>
Purchase of tangible fixed assets	(583)	<i>(301)</i>
Capital grants from DfE Group	1,798	<i>1,430</i>
Capital funding received from sponsors and others	-	<i>159</i>
Cash funds transferred on conversion	-	<i>54</i>
Net cash provided by investing activities	1,228	<i>1,356</i>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

25. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	4,483	3,395
Total cash and cash equivalents	4,483	<i>3,395</i>

26. Capital commitments

	2020	<i>2019</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	471	41

27. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

THE DE FERRERS TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,668,061 (2019 - £2,344,572).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,397,000 (2019 - £1,298,000), of which employer's contributions totalled £1,106,000 (2019 - £1,026,000) and employees' contributions totalled £ 291,000 (2019 - £272,000). The agreed contribution rates for future years are 15.5 - 25.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.6 - 2.9	2.7 - 2.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

THE DE FERRERS TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	2020	<i>2019</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	21.2 - 21.6	<i>21.1 - 21.9</i>
Females	23.6 - 23.7	<i>23.5 - 24.4</i>
<i>Retiring in 20 years</i>		
Males	22.1 - 22.6	<i>22.2 - 23.9</i>
Females	25.0 - 25.1	<i>24.8 - 26.5</i>

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

	At 31 August	<i>At 31 August</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Equities	8,615	<i>7,636</i>
Bonds	2,714	<i>2,618</i>
Property	1,040	<i>927</i>
Cash and other liquid assets	633	<i>405</i>
Total market value of assets	13,002	<i>11,586</i>

The actual return on scheme assets was £231,000 (2019: £637,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	2,211	<i>1,586</i>
Net interest cost	209	<i>181</i>
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	<i>130</i>
Total amount recognised in the Statement of financial activities	2,420	<i>1,897</i>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	22,042	<i>15,180</i>
Conversion of academy trusts	-	<i>730</i>
Current service cost	2,211	<i>1,586</i>
Interest cost	441	<i>470</i>
Employee contributions	291	<i>272</i>
Actuarial losses	554	<i>3,769</i>
Benefits paid	(212)	<i>(95)</i>
Past service cost	-	<i>130</i>
	<hr/>	<hr/>
At 31 August	25,327	<i>22,042</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	11,586	<i>9,291</i>
Conversion of academy trusts	-	<i>455</i>
Interest income	232	<i>289</i>
Actuarial (losses)/gains	(1)	<i>348</i>
Employee contributions	291	<i>272</i>
Benefits paid	(212)	<i>(95)</i>
Contributions by employer including unfunded	1,106	<i>1,026</i>
	<hr/>	<hr/>
At 31 August	13,002	<i>11,586</i>
	<hr/> <hr/>	<hr/> <hr/>

28. Operating lease commitments

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Not later than 1 year	26	<i>69</i>
Later than 1 year and not later than 5 years	50	<i>95</i>
Later than 5 years	-	<i>2</i>
	<hr/>	<hr/>
	76	<i>166</i>
	<hr/> <hr/>	<hr/> <hr/>

THE DE FERRERS TRUST
(A company limited by guarantee)

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

29. Members' liability

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

30. Related party transactions

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

No related party transactions took place during the period.

31. Post balance sheet events

A new building project was undertaken during the financial year which has been funded by the Department for Education with a value of £8.7m. The full practical completion of that building did not take place until September 2020 and therefore the value of the building and the donation has not been recognised in these financial statements.

32. Agency arrangements

The Trust distributes the 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2020 the Trust received £51,832 (2019: £51,170) and disbursed £58,052 (2019: £33,517) from the fund.