

Report of the Trustees and Consolidated Financial Statements

For The Year Ended 31 August 2020

Doncaster Deaf Trust

Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU

**Doncaster Deaf Trust**

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**For The Year Ended 31 August 2020**

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**Doncaster Deaf Trust**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2020**

<b>TRUSTEES</b>	A R Roberts MBE JP - Chairman (resigned 31.7.2020) R Hazell C Mangle M J Gutowski - Chairman (appointed 1.08.2020) M W A Warde-Norbury J Taylor Mrs S M Dumican (appointed 18.2.2020)
<b>COMPANY SECRETARY</b>	J D Weston
<b>REGISTERED OFFICE</b>	Doncaster Deaf Trust Leger Way Doncaster, DN2 6AY
<b>REGISTERED COMPANY NUMBER</b>	04105045 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1088060
<b>AUDITORS</b>	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU
<b>BANKERS</b>	HSBC 1 High Street Doncaster South Yorkshire DN1 1EE
<b>SOLICITORS</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
<b>SENIOR MANAGEMENT TEAM</b>	A L Johnson - Executive Principal Ms T Greaves - Chief Finance Officer P Carter - HR Manager

**Doncaster Deaf Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

**Reference and Administrative Details**

The Charity is a charitable company limited by guarantee. It is governed by a Memorandum and Articles of Association. Reference and administrative details for the Charity are set out separately on page 1. The following Trustees served during the year (or have been appointed subsequently).

A R Roberts MBE JP - Chairman (resigned 31.7.2020)  
R Hazell  
C Mangle  
M J Gutowski - Chairman (appointed 1.8.2020)  
M W A Warde-Norbury  
J Taylor  
Mrs S M Dumican (appointed 18.2.2020)

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the Charity are to advance education, training and care for deaf and hearing-impaired children and adults and those with communication and/or learning difficulties and, in particular, but without prejudice to the foregoing, to maintain and conduct in or near Doncaster a school or schools and college or colleges in furtherance of these objects.

The main activities of the Charity in furtherance of these objects are the operation of the Communication Specialist College Doncaster and the Doncaster School for the Deaf. The Charity also operates a day Nursery and a Residential Care Home for pupils at the School.

**STRATEGIC REPORT**

**Achievement and performance**

The College has had a successful year offering a wide range of courses to students with a diverse range of disabilities and has seen the roll increase by 6 students, to a total of 84. We also continue to accommodate a small number of residential students in College although most students travel to college daily. Numbers on roll in School have increased by 1 to 29 and all pupils are progressing well in their communication and learning. The Children's Home continued to provide residential care for a small number of children, although most school children are day pupils. The plans to increase the Nursery capacity this year was impacted by Covid 19 during the summer term which resulted in a reduction of children to an average of 82 for the year. We have continued to provide employability skills training throughout Britain under a national contract with the Department for Work and Pensions and have seen a considerable increase in the number of adults on this programme that have been able to secure and retain paid employment with the support we provide. The employability service has developed a new funding stream to widen the service to adults outside of the DWP contract.

During the Covid-19 pandemic continuity of services was maintained with the College and School using a blended learning approach with a mix of classroom learning, posted learning materials and virtual lessons. The Nursery remained open throughout, albeit with reduced numbers of children and a number of staff on furlough. The employability service also remained open and managed to support several Deaf adults into employment. The use of some of the premises for events has had to be curtailed due to the Covid-19 risk assessment.

The Trustees are grateful to numerous supporters who provided grants and donations to support the Charity's work that have benefited our students and pupils.

Funding for students at the College and pupils at the School is provided by UK local authorities and government agencies so access to the College and School is available to all students and pupils requiring the specialist education provided irrespective of their financial circumstances. In addition, the Trust has obtained funding to provide bursaries to assist students and pupils to access the education provided in cases where hardship can be demonstrated.

The Nursery attracts children from a wide range of backgrounds and although fees are payable by the parents or carers for places in the Nursery, government funding is available to subsidise some of the costs of the provision. In a number of cases places are offered entirely free of charge to parents and carers only choosing to use the Nursery for their weekly entitlement of free provision.

**Fundraising activities**

The charity does not carry out significant fundraising activities.

**Doncaster Deaf Trust**  
**Report of the Trustees**  
**For The Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Financial review**

**Financial position**

The Statement of Financial Activities comprises the operational activity of nursery the school and college for the twelve months 1st September 2019 to 31st August 2020 together with the returns on the investment of designated and restricted funds and actuarial loss on the defined benefit pension scheme for non-teaching staff. The trust had an overall decrease in funds of £1,115,000. This includes an increase in the actuarial valuation of the defined benefit pension scheme deficit of £1,330,000. The Trust had a surplus of £215,000 before making allowance for these deferred costs of the defined benefit pension scheme.

**Assets and Investments**

The tangible fixed assets of the Charity, namely the freehold land, buildings, plant, equipment and motor vehicles, are fully employed in the operation of the school and college. Maintenance and repairs expenditure for the upkeep and modernisation of the property, including that required for compliance with current regulatory and legal standards, is charged to the Statement of Financial Activities as incurred. The Trustees consider that the modernisation and improvement element of this category of expenditure does not increase the value of the property for its existing use and therefore consider it inappropriate to reflect this as an increase in the overall value of the Charity's assets.

Monies received from donors or set aside by the Trustees for specific purposes (restricted and designated funds) are invested in accordance with the Trustees' investment policy and these investments are valued at market value.

The Trustees' policy is to manage the investments to maximise the return over a short to medium time horizon. The Trustees' policy on risk is to limit equity exposure to not more than 75% of the value of funds invested, with at least 25% of investments held as gilts or corporate bonds.

The Trustees have appointed Investec Wealth and Investment Ltd to manage the Trust's investment portfolio. The Trustees receive reports on the investment returns and market value of the investment portfolio at 6 monthly intervals.

**The funds of the Charity**

The Charity held unrestricted funds of £3,826,000 at 31st August 2020 comprising designated funds of £3,542,000 and general reserves of £284,000 (excluding the Pension Reserve).

The Tangible Fixed Asset Designated Fund of £2,067,000 represents the book value of the property and other tangible fixed assets (other than the Doncaster Deaf Trust Endowment property and assets bought with restricted funds) held to fulfil the objects of the Charity by operation of the nursery, school and college.

The Building & Equipment Designated Fund of £175,000 represents monies invested for future use in the expansion and improvement of the school and college facilities.

The Charities and Risk Designated Fund of £1,300,000 represents monies invested for future use as part of the Trustees risk management policy and is available to cover funding shortfalls or unexpected operational costs of the nursery, school and college. The Trustees policy is to hold sufficient free reserves to cover 2 months operational expenditure.

At 31st August 2020 total reserves (unrestricted funds excluding the pension reserve and tangible fixed asset fund) stood at £1,759,000 which is sufficient to cover 2 months operational expenditure.

The Trustees therefore confirm that on a fund by fund basis the assets are available and adequate to fulfil the obligations of the Charity.

**The consolidated funds of the Charity**

The Charity held unrestricted funds of £3,826,000 at 31st August 2020 comprising designated funds of £3,542,000 and general reserves of £284,000 (excluding the Pension Reserve).

At 31st August 2020 total reserves (unrestricted funds excluding the pension reserve and tangible fixed asset fund) stood at £1,759,000 which is sufficient to cover 2 months operational expenditure.

## **Doncaster Deaf Trust**

### **Report of the Trustees** **For The Year Ended 31 August 2020**

#### **STRATEGIC REPORT**

##### **Future plans**

The Trustees continue to seek to attract new children, pupils and students and to grow the Nursery, School and College provision.

##### **Relationships with other organisations**

The former Chair of Trustees and the Executive Principal are also Trustees of The Cherry Glenville Fund (Registered Charity No 701253), which awards bursaries to advance the education of hearing-impaired students.

The Charity is the corporate Trustee of Doncaster Deaf Trust Endowment (Registered Charity No 529410) which owns part of the site on which the school and college operate. Doncaster Deaf Trust Endowment has made this endowed property available to Doncaster Deaf Trust on an ongoing basis.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees have delegated day to day management of the Charity's activities to the Executive Principal, Alexis Johnson, with support from senior management teams for the various operations who meet regularly. The Board of Trustees meets on a quarterly basis to provide overall governance of the charity, but has also delegated strategic oversight of the school and college to two separate Boards of Governors. The School and College Governing Boards meet 3 times a year. A number of advisory sub-committees of the Board also meet regularly for more detailed consideration of certain aspects of the charity's operations.

The remuneration of key management personnel is determined by the Trustees after considering market rates and is reviewed every two years as part of the staff appraisal process.

The recruitment and appointment of new Trustees and Governors takes cognisance of gender, ethnic origin and the skills, abilities and experience required for the running of the charity. Training and induction of Trustees and Governors is professionally provided by Veale Wasbrough Vizards, the Charity's legal advisers.

The Charity is also a member of both the National Association of Specialist Colleges (NATSPEC) and the National Association of Independent and Non-Maintained Special Schools (NASS) and these associations provide various opportunities to share best practice amongst similar charities and organisations.

##### **Risk Management and Financial Controls**

The Trustees have overall responsibility for ensuring that the Charity has an effective system of risk management. The major risks to which the charity is exposed are reviewed by the Trustees and School and College Governors regularly and policies and procedures have been established to minimise exposure to these risks. The Trustees also have appropriate insurance cover in place to mitigate any potential losses and costs which could be incurred.

In particular the Trustees acknowledge their responsibility for ensuring the Charity has an effective system of internal financial controls. It is recognised by the Trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives, and can only provide reasonable, not absolute, reassurance against material misstatement or loss. The Trustees appointed an Accountant to manage the implementation of the Trust's internal financial control system and also take additional advice from the Charity's auditors where potential issues are identified as the system is reviewed. The Accountant retired in March 2020, whereby the Trustees took the decision to appoint a Chief Finance Officer who permanently started with the Trust from June 2020.

The Trustees also acknowledge their responsibilities for management of the shortfall in funding of the non-teaching pension provision and take regular actuarial advice to remedy this shortfall which is disclosed in the financial statements in accordance with FRS102.

The Trust appoints a Human Resources Manager and a Health and Safety Officer to implement the Trust's policies and procedures with regards to the compliance with health and safety and employment legislation.

The Trust's operations are also subject to external scrutiny and audit by regulatory bodies and government agencies responsible for ensuring appropriate use and control of funding provided and reports received from these organisations are considered by the Governors and Trustees as part of their review process.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Doncaster Deaf Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Doncaster Deaf Trust**

**Report of the Trustees**  
**For The Year Ended 31 August 2020**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

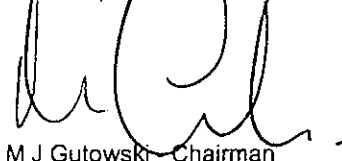
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Allotts Business Services Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 February 2021 and signed on the board's behalf by:



M J Gutowski - Chairman

## **Report of the Independent Auditors to the Members of Doncaster Deaf Trust**

### **Opinion**

We have audited the financial statements of Doncaster Deaf Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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.

### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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 charitable company'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.

### **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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

**Report of the Independent Auditors to the Members of**  
**Doncaster Deaf Trust**

**Responsibilities of trustees**

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

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

**Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Pepper FCA (Senior Statutory Auditor)  
for and on behalf of Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU

23 February 2021

**Doncaster Deaf Trust**

**Consolidated Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 August 2020**

	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted fund £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	3	30	-	41
<b>Charitable activities</b>	6			
Charity's educational operations		7,999	-	162
Other trading activities	4	106	-	-
Investment income	5	30	-	-
Other income	7	78	-	-
<b>Total</b>		<b>8,243</b>	<b>-</b>	<b>203</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>	8			
Charity's educational operations		8,346	59	102
Net gains/(losses) on investments		(39)	-	-
<b>NET INCOME/(EXPENDITURE)</b>		<b>(142)</b>	<b>(59)</b>	<b>101</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes		(1,012)	-	-
<b>Net movement in funds</b>		<b>(1,154)</b>	<b>(59)</b>	<b>101</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>		<b>(5,372)</b>	<b>3,601</b>	<b>225</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>(6,526)</u></b>	<b><u>3,542</u></b>	<b><u>326</u></b>

**Doncaster Deaf Trust**

**Consolidated Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 August 2020**

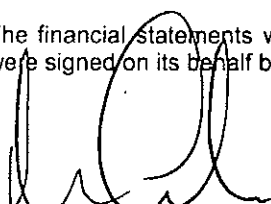
	Notes	Endowment fund £'000	2020 Total funds £'000	2019 Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	3	-	71	40
<b>Charitable activities</b>	6			
Charity's educational operations		-	8,161	8,117
Other trading activities	4	-	106	253
Investment income	5	-	30	31
Other income	7	-	78	319
<b>Total</b>		-	8,446	8,760
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>	8			
Charity's educational operations		3	8,510	9,062
Net gains/(losses) on investments		-	(39)	19
<b>NET INCOME/(EXPENDITURE)</b>		(3)	(103)	(283)
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes		-	(1,012)	(2,361)
<b>Net movement in funds</b>		(3)	(1,115)	(2,644)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>		593	(953)	1,691
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>590</u>	<u>(2,068)</u>	<u>(953)</u>

**Doncaster Deaf Trust**

**Balance Sheet**  
**31 August 2020**

	Notes	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
<b>FIXED ASSETS</b>					
Tangible assets	15	2,808	2,839	2,218	2,246
<b>CURRENT ASSETS</b>					
Debtors	16	396	249	396	249
Investments	17	1,265	1,318	1,265	1,318
Cash at bank and in hand		832	719	832	719
		<u>2,493</u>	<u>2,286</u>	<u>2,493</u>	<u>2,286</u>
<b>CREDITORS</b>					
Amounts falling due within one year	18	(559)	(598)	(559)	(598)
<b>NET CURRENT ASSETS</b>		<u>1,934</u>	<u>1,688</u>	<u>1,934</u>	<u>1,688</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,742	4,527	4,152	3,934
<b>PENSION LIABILITY</b>	22	(6,810)	(5,480)	(6,810)	(5,480)
<b>NET ASSETS/(LIABILITIES)</b>		<u>(2,068)</u>	<u>(953)</u>	<u>(2,658)</u>	<u>(1,546)</u>
<b>FUNDS</b>	21				
Unrestricted funds		(2,984)	(1,771)	(2,984)	(1,771)
Restricted funds		326	225	326	225
Endowment funds		590	593	-	-
<b>TOTAL FUNDS</b>		<u>(2,068)</u>	<u>(953)</u>	<u>(2,658)</u>	<u>(1,546)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 February 2021 and were signed on its behalf by:

  
M J Gutowski - Chairman

**Doncaster Deaf Trust**

**Consolidated Statement of Cash Flows**  
**For The Year Ended 31 August 2020**

	Notes	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>105</u>	<u>25</u>
Net cash provided by operating activities		<u>105</u>	<u>25</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(36)	(65)
Purchase of fixed asset investments		(170)	(198)
Sale of tangible fixed assets		-	131
Sale of fixed asset investments		184	212
Interest received		<u>30</u>	<u>31</u>
Net cash provided by investing activities		<u>8</u>	<u>111</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		<u>113</u>	<u>136</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>719</u>	<u>583</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u>832</u>	<u>719</u>

**Doncaster Deaf Trust**

**Notes to the Consolidated Statement of Cash Flows**  
**For The Year Ended 31 August 2020**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(103)	(283)
Adjustments for:		
Depreciation charges	67	76
Losses/(gain) on investments	39	(20)
Profit on disposal of fixed assets	-	(91)
Interest received	(30)	(31)
(Increase)/decrease in debtors	(147)	135
Decrease in creditors	(39)	(79)
Difference between pension charge and cash contributions	<u>318</u>	<u>318</u>
Net cash provided by operations	<u>105</u>	<u>25</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.19 £'000	Cash flow £'000	At 31.8.20 £'000
Net cash			
Cash at bank and in hand	<u>719</u>	<u>113</u>	<u>832</u>
	<u>719</u>	<u>113</u>	<u>832</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>1,318</u>	<u>(53)</u>	<u>1,265</u>
	<u>1,318</u>	<u>(53)</u>	<u>1,265</u>
Total	<u>2,037</u>	<u>60</u>	<u>2,097</u>

## **Doncaster Deaf Trust**

### **Notes to the Consolidated Financial Statements** **For The Year Ended 31 August 2020**

#### **1. LEGAL FORM**

The charitable company is limited by guarantee. Its registered office is Leger Way, Doncaster, DN2 6AY. Its principal activities are the operation of the Communication Specialist College Doncaster and the Doncaster School for the Deaf. The Charity also operates a day Nursery and a Residential Care home for pupils at the school.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. There are no material uncertainties about the charity's ability to continue its operations.

##### **Fees and grants receivable**

Grants for the purchase of fixed assets are recognised in full in the Statement of Financial Activities in the year in which they are received. Credit is taken for other grants and fees when conditions for entitlement are satisfied in the Statement of Financial Activities for amounts received or receivable in respect of the current financial year.

##### **Donations**

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Trustees.

##### **Legacies**

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

##### **Investment income**

Income arising from bank and building society deposits is accounted for on an accruals basis. Income received from investments is disclosed in the Statement of Financial Activities on the basis of the net amount received plus income tax reclaimable.

##### **Gifts and intangible income**

Items of low monetary value or where monetary value is difficult to ascertain, are not included in the Statement of Financial Activities. Material items are valued at a reasonable estimate of their gross value to the charity and included in donations. The value of services provided by volunteers has not been included.

##### **Netted off expenses and related income**

Income and expenses relating to a car body shop and a hairdressing salon, both of which are run by the charity as part of training courses, are netted off in the Statement of Financial Activities under expenditure relating to teaching and care of students. The Trustees consider that the income generated merely offsets part of the overall costs of running the specific courses for students. This treatment is considered to show a more realistic and true and fair view of the charity's activities.

##### **Resources expended**

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These estimates are based on staff time or the floor area as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

## **Doncaster Deaf Trust**

### **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

#### **2. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Freehold land is not depreciated. Depreciation of other assets is provided at rates calculated to write off the excess of cost over estimated residual amount evenly over the estimated useful economic lives of each class of asset, subject to annual review.

These rates are currently as follows:

Freehold buildings	2% per annum straight line
Furniture, plant and equipment	10% per annum straight line
Computer equipment	25% per annum straight line
Motor vehicles	20% per annum straight line
Antiques and paintings	0% per annum straight line

All tangible fixed assets are stated at cost less depreciation where appropriate.

No assets costing less than £1,000 are capitalised.

##### **Leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

##### **Investments**

Investments are included at market value at the year end.

Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

##### **Grants and bursaries**

Grants and bursaries from restricted funds are included in the period for which the award is given.

##### **Maintenance and repairs**

Maintenance and repairs expenditure for the upkeep and modernisation of the property, including that required for compliance with current regulatory and legal standards, is charged to the Statement of Financial Activities as incurred. The trustees consider that the modernisation and improvement element of this category of expenditure does not increase the value of the property for its existing use and therefore consider it inappropriate to reflect this as an increase in the overall value of the charity's assets.

##### **Pension schemes**

The charity contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the Trustees by the Scheme Administrator. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer is not identified. Accordingly, these financial statements include pension costs payable on a defined contribution basis in accordance with Financial Reporting Standard 102.

Contributions to the scheme are based on applicable pension costs across the participating organisations taken as a whole. The pension charge recorded in these accounts is the amount of contributions payable in the accounting year.

The charity also contributes to a defined benefit scheme for non teaching staff administered by the South Yorkshire Pension Authority. Further details can be found in note 22.

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **2. ACCOUNTING POLICIES - continued**

#### **Fund accounting**

#### **Foreign currencies**

Monetary assets are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

### **3. DONATIONS AND LEGACIES**

	2020	2019
	£'000	£'000
Donations	71	27
Legacies	-	13
	<u>71</u>	<u>40</u>

### **4. OTHER TRADING ACTIVITIES**

	2020	2019
	£'000	£'000
Room hire	94	233
Sports hall hire	9	19
Car parking	3	1
	<u>106</u>	<u>253</u>

### **5. INVESTMENT INCOME**

	2020	2019
	£'000	£'000
Interest on cash deposits	2	1
Listed investments	28	30
	<u>30</u>	<u>31</u>

### **6. INCOME FROM CHARITABLE ACTIVITIES**

	2020	2019
	£'000	£'000
Fees and grants from funding authorities	7,844	7,891
Training for Work student outcomes	317	226
	<u>8,161</u>	<u>8,117</u>

### **7. OTHER INCOME**

	2020	2019
	£'000	£'000
Gain on sale of tangible fixed assets	-	91
Sundry income	7	107
Rental income	-	121
Coronavirus support grants	71	-
	<u>78</u>	<u>319</u>

**Doncaster Deaf Trust**

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 31 August 2020**

**8. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 9)
Charity's educational operations	£'000
	<u>8,510</u>

**9. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020	2019
	£'000	£'000
Teaching salaries and related expenses	5,344	5,125
Books and apparatus	66	77
Food and allowances	213	326
Clothing and laundry	7	7
Transport and travel expenses	46	187
Training	32	60
Exam and tuition fees	89	166
Miscellaneous teaching expenses	3	5
Other salaries and related expenses	1,419	1,392
Light, heat and power	197	273
Maintenance and repairs	124	447
Insurance	114	96
Printing, postage and stationery	18	23
Furniture and equipment	24	47
Cleaning	18	20
Computer running costs	30	41
Telephone	11	13
Legal and professional fees	84	68
Marketing and advertising	21	51
Miscellaneous running expenses	197	174
Defined benefit contribution costs	318	318
Governance costs	68	70
Depreciation	67	76
	<u>8,510</u>	<u>9,062</u>

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Depreciation - owned assets	67	76
Surplus on disposal of fixed assets	-	(91)
Auditors' remuneration	8	8
Operating leases	<u>40</u>	<u>42</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

**Doncaster Deaf Trust**

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 31 August 2020**

**11. TRUSTEES' REMUNERATION AND BENEFITS - continued**

**Trustees' expenses**

Two trustees received £267 of expenses for attending meetings in the year (2019: £1,457).

**Indemnity insurance**

The charity has taken out indemnity insurance on behalf of the trustees, governors and officers, the cost of which is charged in the financial statements and in the year amounted to £1,289 (2019: £4,661). This insurance protects the charity from loss arising from the neglect or default of its trustees, employees or agents and indemnifies the trustees or other officers against the consequence of any neglect or default on their part. The insurance provides cover up to £2,000,000 on any one claim.

**12. STAFF COSTS**

	2020	2019
	£'000	£'000
Wages and salaries	5,522	5,418
Social security costs	475	461
Pension costs	<u>802</u>	<u>673</u>
	<u>6,799</u>	<u>6,552</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Teaching and care of students	186	179
Non educational	<u>54</u>	<u>48</u>
	<u>240</u>	<u>227</u>

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

	2020	2019
£60,001 - £70,000	2	3
£70,001 - £80,000	2	3
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>5</u>	<u>6</u>

Retirement benefits are accruing to these 5 employees under a defined benefit scheme (2019: 6).

**Key management personnel**

The key management personnel of the charity comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £281,513 (2019: £293,001).

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £'000	Designated funds £'000	Restricted fund £'000	Endowment fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	40	-	-	-	40
<b>Charitable activities</b>					
Charity's educational operations	7,991	-	126	-	8,117
Other trading activities	253	-	-	-	253
Investment income	31	-	-	-	31
Other income	<u>319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319</u>
<b>Total</b>	<b>8,634</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>8,760</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charity's educational operations	8,891	68	100	3	9,062
Net gains on investments	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(238)</b>	<b>(68)</b>	<b>26</b>	<b>(3)</b>	<b>(283)</b>
<b>Transfers between funds</b>	<b><u>(1)</u></b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit schemes	<u>(2,361)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,361)</u>
<b>Net movement in funds</b>	<b>(2,600)</b>	<b>(68)</b>	<b>27</b>	<b>(3)</b>	<b>(2,644)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	<b><u>(2,772)</u></b>	<b><u>3,669</u></b>	<b><u>198</u></b>	<b><u>596</u></b>	<b><u>1,691</u></b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>(5,372)</u></b>	<b><u>3,601</u></b>	<b><u>225</u></b>	<b><u>593</u></b>	<b><u>(953)</u></b>

### **14. DEFINED BENEFIT CONTRIBUTION COSTS**

	2020 £'000	2019 £'000
Current service cost	599	459
Past service cost	11	167
Employer contributions	(395)	(387)
Administration expenses	8	6
Net interest/return on assets	<u>95</u>	<u>73</u>
	<b><u>318</u></b>	<b><u>318</u></b>

**Doncaster Deaf Trust**

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 31 August 2020**

**15. TANGIBLE FIXED ASSETS**

Group	Freehold land £'000	Freehold buildings £'000	Furniture, plant and equipment £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>					
At 1 September 2019	800	2,060	1,107	53	4,020
Additions	-	-	36	-	36
At 31 August 2020	<u>800</u>	<u>2,060</u>	<u>1,143</u>	<u>53</u>	<u>4,056</u>
<b>DEPRECIATION</b>					
At 1 September 2019	-	316	816	49	1,181
Charge for year	-	20	45	2	67
At 31 August 2020	-	<u>336</u>	<u>861</u>	<u>51</u>	<u>1,248</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u>800</u>	<u>1,724</u>	<u>282</u>	<u>2</u>	<u>2,808</u>
At 31 August 2019	<u>800</u>	<u>1,744</u>	<u>291</u>	<u>4</u>	<u>2,839</u>
<b>Charity</b>					
	Freehold land £'000	Freehold buildings £'000	Furniture, plant and equipment £'000	Motor vehicles £'000	Charity total £'000
<b>COST</b>					
At 1 September 2019	600	1,610	1,107	53	3,370
Additions	-	-	36	-	36
At 31 August 2020	<u>600</u>	<u>1,610</u>	<u>1,143</u>	<u>53</u>	<u>3,406</u>
<b>DEPRECIATION</b>					
At 1 September 2019	-	259	816	49	1,124
Charge for year	-	17	45	2	64
At 31 August 2020	-	<u>276</u>	<u>161</u>	<u>51</u>	<u>1,188</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u>600</u>	<u>1,334</u>	<u>282</u>	<u>2</u>	<u>2,218</u>
At 31 August 2019	<u>600</u>	<u>1,351</u>	<u>291</u>	<u>4</u>	<u>2,246</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Other debtors	393	133	393	133
Prepayments	3	50	3	50
Accrued income	-	66	-	66
	<u>396</u>	<u>249</u>	<u>396</u>	<u>249</u>

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **17. CURRENT ASSET INVESTMENTS**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Market value at 1 September 2019	1,318	1,312	1,318	1,312
Add: Acquisitions at cost	170	198	170	198
Less: Disposals at market value	(196)	(210)	(196)	(210)
Net (loss)/gain on revaluation at 31 August 2020	<u>(27)</u>	<u>18</u>	<u>(27)</u>	<u>18</u>
	<u>1,265</u>	<u>1,318</u>	<u>1,265</u>	<u>1,318</u>
 Cost as at 31 August 2020	 <u>1,075</u>	 <u>1,055</u>	 <u>1,075</u>	 <u>1,055</u>
The gain on investment assets included in the Statement of Financial Activities comprises:-				
Unrealised (loss)/gain on revaluation	(27)	17	(27)	17
(Loss)/profit on disposal from previous market value	<u>(12)</u>	<u>2</u>	<u>(12)</u>	<u>2</u>
	<u>(39)</u>	<u>19</u>	<u>(39)</u>	<u>19</u>

During the year a surplus over original cost on disposal arose of £33,000 (2019: £77,000).

Investments in individual entities held which are over 5% of the portfolio by value at 31 August 2020 and 31 August 2019 are:-

	Market value 2020 £'000	Market value 2019 £'000
Threadneedle Inv UK Equity Income	59	68
Jupiter UT Managers UK Special Situations	48	61
Artemis Fund Managers Ltd Income Inc	-	63
JP Morgan Funds Ltd US Equity Inc K Net Inc	62	68
M&G Securities Ltd Optimal Income J	63	64
Liontrust Fund Par Special Situations Ins Inc	86	-
Allianz Global Investment Gilt	84	83
JP Morgan Am UK Ltd UK Equity Core E Net Inc	86	102
Vanguard Funds Plc	<u>81</u>	<u>74</u>
	<u>569</u>	<u>583</u>
Investments are represented by:		
Listed UK Securities	493	535
Listed Overseas Securities	750	757
Cash held pending investment	<u>22</u>	<u>26</u>
	<u>1,265</u>	<u>1,318</u>

These figures relate to the Group and Charity.

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	130	162	130	162
Other taxes and social security	110	125	110	125
Accruals	129	91	129	91
Deferred income	<u>190</u>	<u>220</u>	<u>190</u>	<u>220</u>
	<u>559</u>	<u>598</u>	<u>559</u>	<u>598</u>
<b>Deferred income</b>				
Balance as at 1 September 2019	220	217	220	217
Fees received	7,638	7,672	7,638	7,672
Released to Statement of Financial Activities	<u>(7,668)</u>	<u>(7,669)</u>	<u>(7,668)</u>	<u>(7,669)</u>
Balance as at 31 August 2020	<u>190</u>	<u>220</u>	<u>190</u>	<u>220</u>

### **19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Within one year	35	34	35	34
Between one and five years	<u>51</u>	<u>68</u>	<u>51</u>	<u>68</u>
	<u>86</u>	<u>102</u>	<u>86</u>	<u>102</u>

### **20. NET ASSETS OF THE GROUP'S FUNDS**

The group's net assets belong to the various funds as follows:

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Fund balances £'000
Unrestricted funds	2,103	(5,087)	(2,984)
Restricted funds	115	211	326
Endowment funds	<u>590</u>	<u>-</u>	<u>590</u>
	<u>2,808</u>	<u>(4,876)</u>	<u>(2,068)</u>

#### **Net assets of the charity's funds (excluding pension reserve)**

The charity's net assets belong to the various funds as follows:

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Fund balances £'000
Unrestricted funds	2,103	(5,087)	(2,984)
Restricted funds	<u>115</u>	<u>211</u>	<u>326</u>
	<u>2,218</u>	<u>(4,876)</u>	<u>(2,658)</u>

# Doncaster Deaf Trust

## Notes to the Consolidated Financial Statements - continued For The Year Ended 31 August 2020

### 21. MOVEMENT IN FUNDS

#### Unrestricted funds: movements in year - Group and Company

	Balance at 1 September 2019 £'000	Income £'000	Expended £'000	Transfers and investment gains/(losses) £'000	Balance at 31 August 2020 £'000
<b>Designated funds:</b>					
Building and equipment fund	175	-	-	-	175
Tangible fixed asset fund	2,126	-	(59)	-	2,067
Charities and risk fund	<u>1,300</u>	-	-	-	<u>1,300</u>
	3,601	-	(59)	-	3,542
<b>Undesignated funds:</b>					
General reserve	(154)	8,243	(8,028)	-	61
Revaluation reserve	262	-	-	(39)	223
Pension reserve	<u>(5,480)</u>	-	<u>(318)</u>	<u>(1,012)</u>	<u>(6,810)</u>
	<u>(5,372)</u>	<u>8,243</u>	<u>(8,346)</u>	<u>(1,051)</u>	<u>(6,526)</u>
	<u>(1,771)</u>	<u>8,243</u>	<u>(8,405)</u>	<u>(1,051)</u>	<u>(2,984)</u>

Designated funds consist of:

- The Building and equipment fund represents funds intended for the expansion of facilities used for educational and/or vocational purposes.
- The Tangible fixed asset fund represents the property and other assets held to fulfil the objectives of the charity.
- The Charities and risk fund represents a provision towards responsibilities of risk management.

The General reserve represents the unrestricted funds which the trustees are free to use in accordance with the charitable objects.

#### **Revaluation reserve**

The revaluation reserve represents the surplus of market value over cost on investments at the balance sheet date.

#### Restricted funds: movement in the year - Group and Company

	Balance at 1 September 2019 £'000	Income £'000	Expended £'000	Transfers and investment gains/(losses) £'000	Balance at 31 August 2020 £'000
Nursery Building Fund	113	-	(3)	-	110
Student Bursary Fund	55	25	(16)	-	64
Smart Boards Fund	2	-	(1)	-	1
Forest School Fund	3	-	(1)	-	2
New Care Home Fund	9	1	-	-	10
Technology Fund	2	-	-	-	2
Cycle Fund	9	-	-	-	9
Chapel Fund	2	-	-	-	2
Youth Club Fund	13	-	-	-	13
Energy Fund	-	70	(66)	-	4
Community Fund	17	44	(4)	-	57
IT Equipment Fund	-	25	(11)	-	14
Barista Fund	-	5	-	-	5
Blades for Our Heroes Fund	-	1	-	-	1
Residences Fund	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>32</u>
	<u>225</u>	<u>203</u>	<u>(102)</u>	<u>-</u>	<u>326</u>

## Doncaster Deaf Trust

### Notes to the Consolidated Financial Statements - continued For The Year Ended 31 August 2020

#### 21. MOVEMENT IN FUNDS - continued

- i) The Nursery Building Fund represents a grant towards the costs of building works to the nursery.
- ii) The Student Bursary Fund represents grants for pupils in hardship.
- iii) The Smart Board Fund represents grants towards the purchase of teaching smart boards.
- iv) The Forest School Fund represents grants towards the creation of an outdoor learning centre for the nursery.
- v) The New Care Home Fund represents donations towards our appeal for funding a new care home.
- vi) The Technology Fund represents grants towards the cost of new technology equipment.
- vii) The Cycle Fund represents grants towards the cost of disabled cycles and equipment.
- viii) The Chapel Fund represents grants towards the renovation of the School Chapel.
- ix) The Youth Club Fund represents grants towards the cost of running youth clubs.
- x) The Energy Fund represents grants towards energy savings.
- xi) The Community Fund represents grants towards the cost of running community events.
- xii) The IT Equipment Fund represents grants to purchase IT equipment.
- xiii) The Barista Fund represents a grant to purchase Barista equipment.
- xiv) The Blades for Our Heroes Fund represents monies raised for an ex-army Vet.
- xv) The Residences Fund represents grants to refurbish Lodges.

#### Endowment funds: movement in the year - Group

	Balance at 1 September 2019 £'000	Income £'000	Expended £'000	Transfers and investment gains/(losses) £'000	Balance at 31 August 2020 £'000
Permanent endowments:					
Eastfield House land	593	-	(3)	-	590
	<u>593</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>590</u>

#### 22. EMPLOYEE BENEFIT OBLIGATIONS

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Not less than every four years 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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% employer administration charge (currently 16.48%))
- 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
- an employer cost cap of 15.1% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The employer's pension costs paid to TPS in the period amounted to £403,429 (2019: £281,187) and at the year end £41,406 (2019: £31,812) was accrued in respect of contributions to this scheme.

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 a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

#### **Local government pension scheme**

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Present value of funded obligations	(20,054)	(19,072)
Fair value of plan assets	<u>13,244</u>	<u>13,592</u>
	(6,810)	(5,480)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(6,810)</u>	<u>(5,480)</u>
Net liability	<u>(6,810)</u>	<u>(5,480)</u>

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

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Current service cost	599	459
Net interest from net defined benefit asset/liability	339	426
Past service cost	<u>11</u>	<u>167</u>
	<u>949</u>	<u>1,052</u>
Actual return on plan assets	<u>(23)</u>	<u>951</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening at 1 september	19,072	15,403
Current service cost	599	459
Past service cost	11	167
Employee contributions	101	104
Interest cost	339	426
Actuarial gains	447	2,959
Benefits paid	<u>(515)</u>	<u>(446)</u>
	<u>20,054</u>	<u>19,072</u>

# **Doncaster Deaf Trust**

## **Notes to the Consolidated Financial Statements - continued** **For The Year Ended 31 August 2020**

### **22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening at 1 september	13,592	12,602
Expected return on assets	244	353
Employer contributions	395	387
Employee contributions	101	104
Administration expenses	(8)	(6)
Actuarial (losses)/gains	(565)	598
Benefits paid	(515)	(446)
	<u>13,244</u>	<u>13,592</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Actuarial (losses)/gains	<u>(1,012)</u>	<u>(2,361)</u>
	<u>(1,012)</u>	<u>(2,361)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Equities	6,278	7,108
Government Bonds	1,947	1,944
Other Bonds	1,165	992
Other	2,265	1,930
Cash/liquidity	477	435
Property	<u>1,112</u>	<u>1,183</u>
	<u>13,244</u>	<u>13,592</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020	2019
Discount rate for scheme liabilities	1.70%	1.80%
Rate of salary increases	3.65%	3.35%
Increase in pensions in payment	2.50%	2.20%
Inflation assumption (CPI)	2.40%	2.10%

**Doncaster Deaf Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2020**

**22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 year increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	20,054	19,726	20,387	20,088	20,663
Assets	(13,244)	(13,244)	(13,244)	(13,244)	(13,244)
Deficit	6,810	6,482	7,143	6,844	7,419
Projected service cost for next year	625	610	640	625	645
Projected net interest cost for next year	112	113	118	113	123

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

	2020	2019
Retiring today		
Males	22.4	23.1
Females	25.2	25.9
Retiring in 20 years		
Males	23.9	25.3
Females	27.1	28.3

Amounts for the current and previous period are as follows:

	2020	2019
	£'000	£'000
<b>Defined benefit pension plans</b>		
Present value of benefit obligations	20,054	19,072
Fair value of plan assets	(13,244)	(13,592)
Deficit	6,810	5,480

The estimated value of employer contributions for the year ended 31 August 2021 is £407,000.

## Doncaster Deaf Trust

### Notes to the Financial Statements - continued For The Year Ended 31 August 2020

#### **22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The South Yorkshire Pension Scheme (SYPS) is a statutory, contributory, defined benefit scheme, governed by the Local Government Pensions Regulations. The SYPS is a funded scheme and every three years the scheme's actuaries conduct a formal actuarial review of the SYPS with the aim of specifying the level of future contributions. The latest actuarial valuation was carried out on 31 March 2016 and identified a deficit of £1,656,000 in relation to the Doncaster Deaf Trust participation in the scheme and proposed a funding strategy under which this deficit is to be recovered by increased employer contributions over the next 12 to 13 years. Although this valuation is the effective figure used to derive future contributions it is not the figure disclosed in the charitable company's balance sheet. Instead, in accordance with FRS 102, a separate valuation is carried out annually by the scheme's actuaries at the accounting date and this is disclosed in the accounts. This annual actuarial valuation identified a deficit of £6,810,000 at 31 August 2020 and is based on the actuarial assumptions set out above. This deficit represents the amount that would have been payable if the charitable company had withdrawn from SYPS on 31 August 2020. Nevertheless the charitable company continues to participate in the SYPS and make the increased contributions proposed by the actuary to recover the deficit of £1,656,000 over the next 12 to 13 years.

The charity also operates a defined contribution scheme in compliance with the auto enrolment provisions.

Pension contributions of £40,266 (2019:£41,868) were outstanding at the year end.

#### **23. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 August 2020 (2019: none).