

**Company Registration Number: 08246407 (England & Wales)**

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**DAY ONE TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Mrs M Anderson Mr E Fellner Mrs E Barnes Mr B Colegrave Mr A Beard
<b>Trustees</b>	Mr J Palmer, Chair Mr B Colegrave Mr W Kennard Ms I Rutherford Dorrian Mr T Bevan Mr M Wilson Ms L Villiers Mr E Butcher, Chief Executive (Resigned 1 September 2021) Mr A Weymouth (resigned 3 January 2022) Mr A Beard Ms S Gonsalves Mr P F Sharrock, Chief Executive (Appointed 1 September 2021) Mr J Casey
<b>Company registered number</b>	08246407
<b>Company name</b>	Day One Trust
<b>Registered office</b>	East London Arts And Music Maltings Close London E3 3TA
<b>Academies operated</b>	East London Arts and Music Tower Hamlets The London Screen Academy Islington
<b>Senior management team</b>	Mr P F Sharrock, CEO Mr C Kennard, Principal LSA Mr M Sheldon, Principal ELAM Mr N Bhandari, CFO
<b>Independent auditors</b>	James Cowper Kreston Chartered Accountants and Statutory Auditor 9th Floor The White Building 1-4 Cumberland Place Southampton Hampshire SO15 2NP

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Bankers**

Barclays Bank PLC  
Docklands  
Leicestershire  
LE87 2BB

Lloyds Bank PLC  
Threadneedle Street Branch  
Chelmsford  
CM1 1JS

**Solicitors**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

The Trust operates two academies for students aged 16-19 years, East London Arts & Music (ELAM) and the London Screen Academy (LSA). LSA has continued to expand its population to 775, with continuing planned growth in the numbers studying its Level 3 course and the expansion of its Level 4 course (piloted in 2021/22). ELAM continues to operate at a capacity of 304 students. In total, therefore, the trust was serving over 900 students throughout 2021/22 and now serves approximately 1075 as we move into 2022/23.

**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 academy trust.

The Trustees of Day One Trust and are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

East London Arts and Music was incorporated on 9 October 2012 and obtained Academy status from 1 September 2014. On 10 December 2018 East London Arts & Music updated its name and articles to become a multi-academy trust. London Screen Academy is the organisation's second school and opened on 2 September 2019 in Islington within its permanent building.

**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. Method of recruitment and appointment or election of Trustees**

The members of the Academy Trust shall comprise the signatories to the Memorandum.

The number of Trustees shall be not less than 3, but shall not be subject to a maximum. The first Trustees shall be those named in the initial Memorandum.

Each Academy Board shall be comprised of two Trustees and no more than 8 non-director Governors. Academy Board's shall report into the Trust board.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Trustee or Governor shall be 4 years, save that this time limit shall not apply to the Principal or CEO. Subject to remaining eligible to be a particular type of Trustee or Governor, a person may be reappointed or re-elected.

**d. Policies adopted for the induction and training of Trustees**

All new Trustees and members of each Academy Board receive an introduction to our aims, values and outcomes in addition to visits to one or both schools, role dependent. All new Board members also receive an introduction to governance session and complete safeguarding training.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**e. Organisational structure**

The structure consists of the following connected elements: the Day One Trust Board of Trustees, a combined Executive Team led by the CEO and a Senior Leadership Team at each Academy led by the Principal. There is also a local Academy Board at each school that reports into the Day One Trust Board and provides oversight of performance at each school.

The Trust board are responsible for the educational and financial performance of the schools, as well as the safety and welfare of students and staff. They have invested some of the oversight and scrutiny of some of these areas to the School Boards and other sub-committees to the Board, and they have invested responsibility for delivery of the Trust's activities to the Executive and school Leadership teams. These arrangements are described by the Trust's scheme of delegation.

The CEO and each school Principal are responsible for the implementation of the policies laid down by the Trust Board and Academy Board.

**f. Arrangements for setting pay and remuneration of key management personnel**

Remuneration of teaching personnel is set with reference to a single pay scale of nine points. Leadership pay aligns to the Leadership Scale (Inner London) and each employee has an individual range of up to 8 points on that 40 point scale. Support, specialist and technical staff are paid on a 40-point scale, with each employee having an individual 8 point range. All staff have an annual appraisal at which performance and pay is reviewed.

**g. Related parties and other connected charities and organisations**

Day One Trust and its schools continue to benefit from a range of industry and philanthropic partnerships. Notable during 2021/22 was the support of the Screen Academy Foundation which received grants from a range of industry partners, grant giving foundations including The Mohn Westlake Foundation and a number of individual givers also. These were used at LSA to meet their capital requirements as well as to fund a range of wraparound programmes including an Industry Partnerships team.

ELAM continued to receive the support of Universal Music Group and The BRIT Trust. During the year the Screen Academy Foundation decided to increase its fund raising for ELAM and in future fund raising for ELAM will be routed through that Foundation, as already happens for LSA.

Our industry donors, along with many other industry partners supported both schools in-kind to co-design, co-deliver and co-assess large parts of the curricula taken by students. This deep level of integration within the creative industries continues to enable us to deliver a unique vocational experience for our students and underpins the high level of success that we see amongst alumni.

**h. Trade union facility time**

No employees were relevant union officials during the year.

**Objectives and activities**

Our Principal Guiding Aim is to support young people of all backgrounds to lead fulfilling lives with employment prospects within the creative industries and beyond.

**a. Objects and aims**

The main objective of Day One Trust is to design and run a two to three year programme of study for our students which prepares students for progression into careers in the creative industries, either immediately after completing the programme or after further study. Our core programme for 16-18 year olds comprises of Level 3 UAL qualifications alongside English and Maths and extensive personal and professional development programmes. Our additional year programme, for 18-19 year-olds currently operates at LSA and results in a Level 4 UAL qualification.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**b. Objectives, strategies and activities**

Day One is supporting young people to build creative careers, to develop ideas that matter and to advance culture, industry and society. We are a home for young creators, storytellers and makers - young people that want to create their future, not just consume it.

This year the Covid pandemic impacted on the trust operations and the provision at both schools resulting in higher than normal levels of staff and student absence. The schools remained open for in-person learning throughout the year..

Covid did not materially affect our student recruitment numbers - and therefore population - with both schools reaching their recruitment targets for September 2022.

**c. Public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the academy's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Catchment area: Day One Trust schools - ELAM and LSA - are fully inclusive and aimed at all young people from across London. Our intake will once again be pan-London with students travelling from every Borough, as well as a small number that relocate in order to take up their place at either of the schools.

**d. Admissions**

The academies seek to work with talented young people who are passionate about music, game design, film and TV, whether in the form of performance, production or business. The school's both select students through a values based assessment process that prioritises their aptitude for development over any prior levels of skill or achievement.

In 2020/21 19.8% of students across Day One (comprising 15.5% at LSA and 28.5% at ELAM) were in receipt of free school meals and 47.1% of students (comprising 42.2% at LSA and 56.9% at ELAM) came from a black, Asian or minority ethnic background.

ELAM and LSA's admission policies are clear, fair and transparent. Both are presented in a format that is accessible to prospective students and their parents and carers and are available on each school's website.

**Achievements and performance**

Our schools have the highest aspirations for their students. Grade targets are set well above national average within each subject and teaching and learning is continuously improved through a rigorous development programme.

ELAM was graded Outstanding in all categories by Ofsted in May 2017. LSA received a monitoring visit from Ofsted in February 2022 and was judged to have made significant progress overall and in all categories.

**a. Key performance indicators**

During 2021/22 our results in all our Level 3 UAL qualifications, the core of our curriculum, improved on the previous year. They remain significantly above the most recent national data available, which was published in 2019.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Attainment Distribution in Lv. 3 UAL Courses								UAL National Outcomes 2019		
	Distinction		Merit		Pass		Fail		Dist.	Merit	Pass
	No.	%	No.	%	No.	%	No.	%	%	%	%
LSA FTV Y13	131	47%	89	32%	53	19%	6	2%	27%	35%	38%
ELAM FTV Y13	19	76%	3	12%	4	16%	0	0%	27%	35%	38%
ELAM Music Y13	44	63.8%	22	31.9%	1	1.4%	0	0.0%	28%	27%	31%
ELAM Game Y13	38	73.1%	14	26.9%	1	1.9%	0	0.0%	27%	35%	38%

We expect all our students to take English and/or maths alongside their core qualification. We offer both GCSE re-sits and a range of level 3 courses. For those re-sitting GCSE, their pass rates were significantly above the national average for re-sits. For those studying English and/or maths at level 3, as these are not their core qualifications there is a wide variation in their prior attainment. Using Alps scores to evaluate performance shows that our English courses are performing well, but maths performance is below average.

	Entries	Alps score
LSA English A-Level	60	6
LSA Maths A-Level	16	8
LSA EPQ	122	4
ELAM English A-Level	21	4
ELAM Core Maths	115	7
ELAM EPQ	123	4

**b. Going concern**

The board of Trustees has a reasonable expectation that the academy trust will have adequate resources to continue in operation for the foreseeable future. They base this on:

- Successful student recruitment campaigns throughout 2021/22 delivering full cohorts to both schools in 2022/23.
- Related annual grant income is therefore sufficient to fund the planned core expenditure through 2022/23.
- Both schools plan to deliver surpluses over the next 3 years.

For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Financial review**

Most of the Trust's income is obtained from the ESFA, all of which is restricted to a particular purpose. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA. These grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2022, total expenditure of £9,341 (2021: £7,868k) was met by recurrent grant funding from the ESFA and restricted general funds. The excess of expenditure over income over the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was -£906k (2021: £555k).

At 31 August 2022 the net book value of fixed assets was £11,227k (2021 £11,502k as restated). Movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets will be used exclusively for providing education and the associated support services to the pupils of the Trust.

The London Borough of Tower Hamlets and London Borough of Islington pension funds, in which the Trust participates, showed a deficit of £199k at 31 August 2022 (2021: £680K).

The Trust held fund balances at 31 August 2022 of £11,911k (2021: £12,204k as restated) comprising £11,113k (2021:£11,502k as restated) of restricted funds and £798k (2021: £702k) of unrestricted general funds. Of the restricted funds £11,113k (2021: £11,502k as restated) is represented by tangible fixed assets and £64k (2021: £680k) of restricted grants.

The pension reserve which is considered part of restricted funds was £199k (2021: £680k) in deficit.

**a. Reserves policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of cash reserves held (cash in bank) should be equivalent to one month's operating expenditure, approximately £778k (2021: £655k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy holds cash reserves of £798k (2021: £702k).

**b. Investment policy**

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

**c. Principal risks and uncertainties**

The principal risks and uncertainties that Day One Trust and its schools face are mitigated by the risk management process that the academy trust has in place.

**d. Risk management**

Since 2014 - when the first Academy opened - the Trustees have regularly assessed and managed the major risks to which the organisation is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the schools, and the Trust's finances.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees - through the Executive - have implemented a number of systems to assess risks that the organisation faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and safeguarding) and in relation to the control of finance.

These include a wide range of management information that is captured and the organisation has systems and operational procedures, including internal financial controls, in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

The Trustees have identified the following risk factors:

- The impact of general inflation, energy cost inflation and pay inflation which are unlikely to be matched by GAG increases, resulting in the Trust having to take spending decisions which have a measurable adverse effect on its quality of provision, its outcomes or the wellbeing of its students or staff;
- The risk of public sector industrial action having an adverse effect on the quality of education for and the wellbeing of the Trust's students. The industrial action on public transport is already affecting the ability of staff and students to attend school. There is also the potential for industrial action by the Trust's own employees as part of national pay campaigns;
- The risk of adverse effects on the wellbeing of staff and especially students, as a result of the increasing cost of living.

**e. Financial and risk management objectives and policies**

A risk also arises in relation to the defined benefit pension scheme, due to the fact there is a deficit of £199k (2021: £680k).

**Fundraising**

ELAM recognises that confidence within fundraising is essential to philanthropic support. The school has a number of regular donors that they work in partnership with, who require transparent financial reporting aimed to demonstrate the effectiveness and impact of their gift. In line with current GDPR data protection legislation, the school is committed to protecting their donors' information and being transparent about the information held. All of the data is held securely on ELAM's database "Raiser's Edge", provided by Blackbaud Inc.

Before seeking or accepting any financial gift the school conducts due diligence, including reviewing publicly available personal data and actively subscribes to the Fundraising Code of Practice. ELAM does not collect or hold sensitive personal information (such as ethnicity, religious beliefs, political opinions, trade union membership, genetic data, biometric data, or data concerning health or sexual orientation) for any partner, donor or supporter. During the past seven years ELAM has not received any complaints about their fundraising activities and are not aware of any breaches of fundraising regulations. During 2021/22, it was agreed that ELAM's fundraising operation would move over into the Screen Academy Foundation. This transition was made in April 2022.

Fundraising at LSA is performed through the Screen Academy Foundation and was for the whole of 2021/22 – with ELAM fund raising transitioning over from April 2022 as mentioned in the paragraph above – and their annual report is reviewed annually for assurance that fundraising practices are robust.

In their latest published annual report the following has been declared:

The charity understands that donor confidence is essential to maintaining a sustainable relationship. The charity has this year built relationships with a number of corporate funders, individuals and foundations, and works in partnership with them, providing regular updates on progress against grants made. The Trustees and the Trust Director have an awareness of the guiding principles of the Fundraising Regulator's Code of Fundraising Practise. The Trustees charge the Trust CEO with oversight of the fundraising programme and ensuring that it is in line with regulations. The charity uses a CRM system to track donor consent to contact, and all the charity's employees are trained in GDPR best practice. We have not received any complaints about our fundraising

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

activities and are not aware of any breaches of fundraising regulations by the Trust or any person acting on its behalf. The charity does not use Direct Mail as a marketing or fundraising tool.

**Plans for future periods**

The focus for the Trust in 2022/23 is to ensure that both ELAM and LSA continue to deliver an excellent education offer.

Continuous improvement is central to how Day One Trust operates and this year we will continue to embed this in every aspect of the organisation.

We are also working more closely than ever with our industry partners to create highly integrated and relevant projects to sit at the heart of each of Day One's vocational courses.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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



.....  
**Mr J Palmer**  
**Chair of trustees**  
Date: 15 December 2022

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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Day One 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr J Palmer, Chair	6	6
Mr B Colegrave	4	6
Mr W Kennard	5	6
Ms I Rutherford Dorrian	4	6
Mr T Bevan	4	6
Mr M Wilson	4	6
Ms L Villiers	6	6
Mr P F Sharrock, Chief Executive	6	6
Mr A Weymouth (resigned 03/01/2022)	1	2
Mr A Beard	5	6
Mr J Casey	5	6
Ms S Gonsalves	5	6

Both schools – ELAM and LSA, report to an Academy Board (local governors), that in turn reports into a Trust Board.

Ultimate responsibility for the Trust's finances, people, assets, and the performance of the schools rests with this Trust Board. A scheme of delegation describes how the Trust has vested these responsibilities in the Academy Boards, a Finance, Audit, Operations and Risk committee, an Education and Standards committee and a Safeguarding Committee.

The key terms of reference of the Finance, Audit, Operations and Risk Committee are:

- (a) The overall finances of Day One Trust, including:
- The annual budget (for recommendation to the Board of Directors) and monitoring of that budget
  - Governors Fund (if any)
  - Charging policy; income generation policy; lettings policy
  - Financial procedures (including compliance with the DfE Guidance); delegation of spending authority and virement policies
  - Policy and decisions regarding contracts and service level agreements
  - Insurance arrangements
  - Governors' expenses policy
  - The external audit including the appointment of external auditors (for recommendation to the Board of

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

- Directors)
  - The preparation of the annual report and accounts (for presentation to Directors) Policy and procedures in respect of internal financial controls and internal audit functions Compliance with statutory and other required procedures.
  - Oversight of risk assessment policy.
- (b) The Personnel of Day One Trust
  - Staff recruitment procedures
  - Staff appointments procedures
  - Equal opportunities
  - Performance management arrangements
  - Employment contractual matters
  - Pay policy
  - Staff well-being and retention strategies.
- (c) The Premises of Day One Trust
  - To advise Directors on priorities, including health and safety, for the maintenance of the existing Academy buildings
  - To oversee arrangements for repairs and maintenance
  - To make recommendations on premises-related expenditure
  - In consultation with the Principal, oversee premises-related funding bids
  - To oversee arrangements, including health and safety, for the use of the premises by outside users To establish and keep under review accessibility plan and travel plan.
- (d) Key targets agreed by Board members in respect of any of the above areas. Any other matters referred to it by Board members.

To work in consultation with the Chief Executive Officer and senior leaders to provide guidance to the Trustee Board on financial, staffing and building matters. The full Trustee Board takes all decisions concerning the adoption and implementation of these recommendations.

Attendance at the Finance, Audit and Operations Committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Palmer	5	5
B Colegrave	3	5
T Bevan	4	5
P F Sharrock	4	5

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

- Restructuring the Central Team to bring incorporate a permanent Finance Team of expert financial professionals to review, analyse and advise on adherence to financial procedures ensuring that value for money solutions are sought.
- Introducing a new financial system into the Trust which included a new approval system to provide clarity on budget holder actions and utilised by the Finance Team to ensure that procurement procedures were followed correctly.

**Income generation**

As industry academies ELAM and LSA actively seek financial support from industry partners to enable them to buy and replenish the specialist equipment needed to deliver the curriculum, and to run select programmes outside of the core curriculum that further the career prospects of the young people. During 2021/22 the Trust brought in additional income from a range of industry partners to support these aims.

**Future Planning**

The trustees are reviewing the strategic direction of Day One Trust and considering the implications of developing a sustainably sized and highly impactful multi academy trust. The first consideration here is to support each school to be as large and as successful as possible.

Secondly, Day One is establishing on what basis growth beyond the existing schools could be achieved, either through new schools or through supporting existing schools. Trustees are clear that any further growth will not come at the price of either quality reduction or mission creep.

**Conflicts of Interest**

The Trust maintains an up-to-date and complete register of interests for all trustees, governors, committee members, members and for key management personnel. The Trust's procurement policy and financial procedures include measures to prevent any conflict of interest from affecting significant spending decisions. These include requiring approval of more than one person to make a purchase and requiring multiple quotes or tenders, depending on the value of the transaction.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Day One Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

The trustees considered the need for a specific internal audit function and have appointed Cooper Parry Group Limited as internal auditors for the Trust. The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. This year the Trust has had to engage with TIAA Ltd to perform cyber security and GDPR reviews as Cooper Parry Group Ltd do not provide expertise in these areas. The checks carried out in the current period include:

- Review of financial regulations (Cooper Parry Group Ltd)
- Review of payroll processes (Cooper Parry Group Ltd)
- Review of cyber security assurance (TIAA Ltd)
- Review of GDPR assurance (TIAA Ltd)

The auditors report to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

The trustees confirm that the auditors have delivered their schedule of work as planned and management have a plan put in place to address the issues identified over the coming year.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

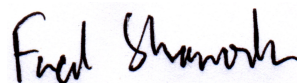
**Modified audit opinion**

The trustees have been advised that the external auditor intends to give a modified audit opinion on the basis that the fixed asset register does not comply with the requirements of the Academies Trust Handbook. The deficiencies in the existing fixed asset register which have resulted in the modified opinion relate to assets entered on to the register in 2019 and 2020. No deficiencies have been found for assets entered on the register since September 2020. These deficiencies were first identified by the current external auditors during the external audit for the year ending 31 August 2021. They did not result in a modified audit opinion and were described as low risk by the external auditors in their report on that year. The Trust has dealt with the issues in the 2020-2021 audit report in risk order and will resolve the fixed asset register issue by April 2023. A survey of the Trust's assets is already planned for early 2023, to fully refresh and update the asset register. This will then be validated by internal assurance work, which is scheduled for July 2023.

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



.....  
**Mr J Palmer**  
Chair of Trustees  
Date: 15 December 2022



.....  
**Mr P F Sharrock**  
Accounting Officer  
Date: 15 December 2022



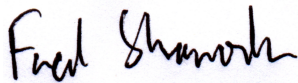
**DAY ONE TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Day One Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, except that the Trust has not maintained a fixed asset register. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



.....  
**Mr P F Sharrock**  
Accounting Officer  
Date: 15 December 2022

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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:



.....  
**Mr J Palmer**  
Chair of Trustees  
Date: 15 December 2022

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DAY ONE TRUST**

**Opinion**

We have audited the financial statements of Day One Trust (the 'academy') for the year ended 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DAY ONE TRUST (CONTINUED)**

**Other information**

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

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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**Responsibilities of trustees**

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

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

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DAY ONE TRUST (CONTINUED)**

**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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' report.

**Use of our report**

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

**DAY ONE TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DAY  
ONE TRUST (CONTINUED)**

*James Cowper Kreston*

**Michael Bath BSc FCA DChA (Senior statutory auditor)**

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

9th Floor

The White Building

1-4 Cumberland Place

Southampton

Hampshire

SO15 2NP

Date: 16 December 2022

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DAY ONE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Day One Trust during the year 1 September 2021 to 31 August 2022 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 Day One Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Day One 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 Day One Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Day One Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Day One Trust's funding agreement with the Secretary of State for Education dated 26 August 2014 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

1. reviewing of minutes of meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
2. a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
3. testing a sample of payroll payments to staff;
4. testing a sample of payments to suppliers and other third parties;
5. testing a sample of grants received and other income streams;
6. evaluating the internal control procedures and reporting lines, and testing as appropriate; and
7. making appropriate enquiries of the Accounting Officer.

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DAY ONE 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them except that the Trust has not maintained an adequate fixed asset register. The Trustees have told us that this matter will be rectified during the financial year ending 31 August 2023.



**James Cowper Kreston**  
Chartered Accountants and Statutory Auditor

9th Floor  
The White Building  
1-4 Cumberland Place  
Southampton  
Hampshire  
SO15 2NP

Date: 16 December 2022



**DAY ONE TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>	
Note						
<b>Income from:</b>						
Donations and capital grants	3	-	1,401	452	1,853	1,510
Other trading activities		184	-	-	184	130
Investments	6	4	-	-	4	2
Charitable activities		-	6,049	-	6,049	6,262
<b>Total income</b>		<b>188</b>	<b>7,450</b>	<b>452</b>	<b>8,090</b>	<b>7,904</b>
<b>Expenditure on:</b>						
Charitable activities		-	8,544	797	9,341	7,868
<b>Total expenditure</b>		<b>-</b>	<b>8,544</b>	<b>797</b>	<b>9,341</b>	<b>7,868</b>
<b>Net income/(expenditure)</b>		<b>188</b>	<b>(1,094)</b>	<b>(345)</b>	<b>(1,251)</b>	<b>36</b>
Transfers between funds	18	(91)	-	91	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>97</b>	<b>(1,094)</b>	<b>(254)</b>	<b>(1,251)</b>	<b>36</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	959	-	959	(144)
<b>Net movement in funds</b>		<b>97</b>	<b>(135)</b>	<b>(254)</b>	<b>(292)</b>	<b>(108)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		702	-	11,502	12,203	12,311
Net movement in funds		97	(135)	(254)	(292)	(108)
<b>Total funds carried forward</b>		<b>799</b>	<b>(135)</b>	<b>11,248</b>	<b>11,912</b>	<b>12,203</b>

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

The notes on pages 27 to 51 form part of these financial statements.

**DAY ONE TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08246407**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	As restated 2021 £000
<b>Fixed assets</b>			
Tangible assets	14	11,227	11,502
		11,227	11,502
<b>Current assets</b>			
Debtors	15	345	269
Cash at bank and in hand		1,384	1,829
		1,729	2,098
Creditors: amounts falling due within one year	16	(846)	(716)
		883	1,382
<b>Total assets less current liabilities</b>		12,110	12,884
<b>Net assets excluding pension liability</b>		12,110	12,884
Defined benefit pension scheme liability	25	(199)	(680)
<b>Total net assets</b>		11,911	12,204
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	11,248	11,502
Restricted income funds	18	64	680
		11,312	12,182
Restricted funds excluding pension asset	18	11,312	12,182
Pension reserve	18	(199)	(680)
		11,113	11,502
<b>Total restricted funds</b>	18	11,113	11,502
<b>Unrestricted income funds</b>	18	798	702
		11,911	12,204
<b>Total funds</b>		11,911	12,204

**DAY ONE TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08246407**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

The financial statements on pages 23 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....  
**Mr J Palmer**  
Chair of Trustees  
Date: 15 December 2022

The notes on pages 27 to 51 form part of these financial statements.

**DAY ONE TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	<b>Note</b>	<b>2022</b> <b>£000</b>	<i>2021</i> <i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	<b>(422)</b>	895
<b>Cash flows from investing activities</b>			
	21	<b>(23)</b>	<i>(147)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>(445)</b>	748
Cash and cash equivalents at the beginning of the year		<b>1,829</b>	<i>1,081</i>
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<b>1,384</b>	<i>1,829</i>

The notes on pages 27 to 51 form part of these financial statements

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. 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.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

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

• **Donations**

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

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Land & buildings	- 2%
Furniture and equipment	- 10-12.5%
Computer equipment	- 10-20%

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

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

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

**DAY ONE TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.10 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Operating leases**

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

**1.12 Taxation**

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

Accordingly, the Academy 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.



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**1. Accounting policies (continued)**

**1.13 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. 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 27.

**1.15 Fund accounting**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2022. 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**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values

**3. Income from donations and capital grants**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>	<i>Total funds</i>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Donations	-	1,401	-	<b>1,401</b>	<i>1,488</i>
Grants	-	-	452	<b>452</b>	<i>22</i>
	-	1,401	452	<b>1,853</b>	<i>1,510</i>
<i>Total 2021</i>	<i>59</i>	<i>1,316</i>	<i>135</i>	<i>1,510</i>	

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**4. Funding for the Academy's operations**

	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	5,218	<b>5,218</b>	5,375
Other DfE/ESFA grants			
Other DfE/ESFA grants	642	<b>642</b>	620
Start up grant	50	<b>50</b>	207
	<hr/>	<hr/>	<hr/>
	5,910	<b>5,910</b>	6,202
<b>Other Government grants</b>			
Local authority grants	126	<b>126</b>	6
	<hr/>	<hr/>	<hr/>
	126	<b>126</b>	6
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Other DfE/ESFA COVID-19 funding	13	<b>13</b>	54
	<hr/>	<hr/>	<hr/>
	13	<b>13</b>	54
	<hr/>	<hr/>	<hr/>
	6,049	<b>6,049</b>	6,262
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	<hr/> <hr/>	<hr/> <hr/>	
	6,262	6,262	
	<hr/> <hr/>	<hr/> <hr/>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Hire of facilities	118	<b>118</b>	8
Catering income	20	<b>20</b>	6
Other income	46	<b>46</b>	116
	<hr/>	<hr/>	<hr/>
	184	<b>184</b>	130
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	<hr/> <hr/>	<hr/> <hr/>	
	130	130	
	<hr/> <hr/>	<hr/> <hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Investment income**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Investment income	4	4	2
<i>Total 2021</i>	2	2	

**7. Expenditure**

	<b>Staff Costs 2022 £000</b>	<b>Premises 2022 £000</b>	<b>Other 2022 £000</b>	<b>Total 2022 £000</b>	<i>Total 2021 £000</i>
Academy's educational operations					
Direct costs	3,837	202	760	<b>4,799</b>	4,096
Allocated support costs	2,588	1,293	661	<b>4,542</b>	3,772
	<u>6,425</u>	<u>1,495</u>	<u>1,421</u>	<u><b>9,341</b></u>	<u>7,868</u>
<i>Total 2021</i>	<u>5,267</u>	<u>1,289</u>	<u>1,312</u>	<u>7,868</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £000</b>	<b>Support costs 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Direct costs	4,799	4,542	<b>9,341</b>	7,868
<i>Total 2021</i>	<u>4,096</u>	<u>3,772</u>	<u>7,868</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Pension finance costs	10	<b>10</b>	3
Staff costs	2,588	<b>2,588</b>	1,913
Depreciation	544	<b>544</b>	457
Technology costs	193	<b>193</b>	153
Recruitment and support	-	-	61
Maintenance of premises	116	<b>116</b>	126
Cleaning	183	<b>183</b>	167
Energy	313	<b>313</b>	184
Rent and rates	137	<b>137</b>	158
Insurance	38	<b>38</b>	27
Security and transport	136	<b>136</b>	114
Catering	148	<b>148</b>	112
Legal costs	-	-	19
Support costs	108	<b>108</b>	236
Governance costs	28	<b>28</b>	42
	<u>4,542</u>	<u><b>4,542</b></u>	<u>3,772</u>
<i>Total 2021</i>	<u>3,772</u>	<u>3,772</u>	

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2022 £000</b>	<i>2021 £000</i>
Depreciation of tangible fixed assets	<b>745</b>	626
Fees paid to auditors for:		
- audit	<b>13</b>	13
- other services	<b>3</b>	7
	<u><b>761</b></u>	<u>646</u>

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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>4,333</b>	<i>3,725</i>
Social security costs	<b>474</b>	<i>424</i>
Pension costs	<b>1,241</b>	<i>968</i>
	<b>6,048</b>	<i>5,117</i>
Agency staff costs	<b>377</b>	<i>93</i>
Staff restructuring costs	<b>-</b>	<i>57</i>
	<b>6,425</b>	<i>5,267</i>

Staff restructuring costs comprise:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Severance payments	<b>-</b>	<i>57</i>
	<b>-</b>	<i>57</i>

**b. Severance payments**

The Academy paid nil severance payments in the year (2021 - 3), disclosed in the following bands:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
£0 - £25,000	<b>-</b>	<i>2</i>
£25,001 - £50,000	<b>-</b>	<i>1</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff (continued)**

**c. Staff numbers**

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

	<b>2022</b>	2021
	<b>No.</b>	No.
Teachers	<b>46</b>	42
Administration and support	<b>55</b>	45
Management	<b>13</b>	11
	<hr/> <b>114</b> <hr/>	<hr/> 98 <hr/>

**d. Higher paid staff**

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

	<b>2022</b>	2021
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>4</b>	4
In the band £70,001 - £80,000	<b>5</b>	3
In the band £90,001 - £100,000	<b>2</b>	3
In the band £100,001 - £110,000	<b>1</b>	-
In the band £110,001 - £120,000	<b>1</b>	-
	<hr/> <b>1</b> <hr/>	<hr/> - <hr/>

**e. Key management personnel**

The key management personnel of the Academy 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 Academy was £485k (2021 - £456k).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Central services**

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

- Human resources (including payroll)
- Business and insurance services
- ICT
- Estate management
- Data and assessment

The Academy charges for these services on the following basis:

5.5% of GAG income

The actual amounts charged during the year were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
East London Arts & Music	<b>98</b>	<i>94</i>
London Screen Academy	<b>172</b>	<i>171</i>
<b>Total</b>	<b>270</b>	<i>265</i>

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2022</b>	<i>2021</i>
		<b>£000</b>	<i>£000</i>
E Butcher, Chief Executive (Resigned 1 September 2021)	Remuneration	<b>0 - 5</b>	<i>60 - 65</i>
	Pension contributions paid	<b>0 - 5</b>	<i>10 - 15</i>
Mr P F Sharrock, Chief Executive (Appointed 1 September 2021)	Remuneration	<b>110 - 115</b>	<i>0 - 5</i>
	Pension contributions paid	<b>10 - 15</b>	<i>0 - 5</i>

During the year ended 31 August 2022, no Trustee expenses have been incurred (*2021 - £NIL*).

Other related party transactions involving the Trustees are set out within the related parties note.

**13. Trustees' and Officers' insurance**

The Academy 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 £10,000k. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2021 (as restated)	10,741	1,046	2,158	13,945
Additions	5	88	430	523
Disposals	-	-	(129)	(129)
At 31 August 2022	<u>10,746</u>	<u>1,134</u>	<u>2,459</u>	<u>14,339</u>
<b>Depreciation</b>				
At 1 September 2021	886	449	1,108	2,443
Charge for the year	202	133	410	745
On disposals	-	-	(77)	(77)
At 31 August 2022	<u>1,088</u>	<u>582</u>	<u>1,441</u>	<u>3,111</u>
<b>Net book value</b>				
At 31 August 2022	<u><u>9,658</u></u>	<u><u>552</u></u>	<u><u>1,018</u></u>	<u><u>11,228</u></u>
At 31 August 2021	<u><u>9,855</u></u>	<u><u>597</u></u>	<u><u>1,050</u></u>	<u><u>11,502</u></u>

The land and buildings valuation currently presented in the financial statements is limited to East London Arts & Music Academy. The London Screen Academy became part of the Multi academy trust in September 2019 at which point they were provided with their current land and buildings for use under a short-term lease. The trust is in negotiation with the Secretary of State to finalise a long-term leasehold agreement which is estimated to cover a period of 125 years. At the point of this lease agreement being signed, the land and buildings valuation of the London Screen Academy will be included within the financial statements.

Land for one of the schools has not historically been included in tangible fixed assets within the financial statements. The Trust has since obtained documentation confirming their ownership of freehold status which has resulted in a prior year adjustment. The adjustment has increased land (and the restricted fixed asset fund) by £650,000 for the year ended 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Debtors**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>		
Trade debtors	<b>211</b>	<i>17</i>
Other debtors	<b>50</b>	<i>86</i>
Prepayments and accrued income	<b>84</b>	<i>166</i>
	<b>345</b>	<i>269</i>

**16. Creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Trade creditors	<b>240</b>	<i>139</i>
Other taxation and social security	<b>125</b>	<i>98</i>
Other creditors	<b>317</b>	<i>440</i>
Accruals	<b>164</b>	<i>39</i>
	<b>846</b>	<i>716</i>

**17. Prior year adjustments**

Land for one of the schools has not historically been included in tangible fixed assets within the financial statements. The Trust has since obtained documentation confirming their ownership of freehold status which has resulted in a prior year adjustment. The adjustment has increased land (and the restricted fixed asset fund) by £650,000 for the year ended 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
General Funds	702	187	-	(91)	-	798
<b>Restricted general funds</b>						
General annual grant (GAG)	190	5,218	(5,344)	-	-	64
Start up grant	-	50	(50)	-	-	-
Other DfE/ESFA Grants	-	642	(642)	-	-	-
Covid grants	31	13	(44)	-	-	-
Local authority	-	126	(126)	-	-	-
Donations	-	33	(33)	-	-	-
Screen Academy Foundation	308	1,368	(1,676)	-	-	-
Marit Mohn donation	25	-	(25)	-	-	-
Universal	88	-	(88)	-	-	-
Brit Trust	38	-	(38)	-	-	-
Pension reserve	(680)	-	(478)	-	959	(199)
	-	7,450	(8,544)	-	959	(135)
<b>Restricted fixed asset funds</b>						
General fixed assets	11,502	452	(797)	91	-	11,248
<b>Total Restricted funds</b>	11,502	7,902	(9,341)	91	959	11,113
<b>Total funds</b>	12,204	8,089	(9,341)	-	959	11,911

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds (continued)**

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DFE/ESFA grants: This includes the ESFA grants for free meals, Maths premium and teachers pay and pension grant

Other government grants: This includes money received from local authorities.

Other restricted funds: This includes grants received from non government agencies.

DFE/ESFA capital grants: This includes the Devolved Formula Capital grants as well as other ESFA capital grants.

Other capital grants: This includes non government capital grants.

Transfer of funds relate to the purchase of capital items using funds agreed and expected by the academy, but to which it was not entitled at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
<b>Unrestricted funds</b>						
General Funds - all funds	517	191	(6)	-	-	702
<b>Restricted general funds</b>						
General Annual Grant (GAG)	121	5,376	(5,161)	(146)	-	190
Start up grants	-	207	(207)	-	-	-
Ohter DfE / ESFA grants	-	620	(620)	-	-	-
Other government grants	-	54	(23)	-	-	31
Local authority	-	6	(6)	-	-	-
Screen Academy Foundation	-	1,130	(822)	-	-	308
Marit Mohn donation	-	39	(14)	-	-	25
Universal	-	88	-	-	-	88
Brit Trust	-	60	(22)	-	-	38
Pension reserve	(203)	-	(333)	-	(144)	(680)
	(82)	7,580	(7,208)	(146)	(144)	-
<b>Restricted fixed asset funds</b>						
General fixed assets	11,876	135	(654)	145	-	11,502
<b>Total Restricted funds</b>	11,794	7,715	(7,862)	(1)	(144)	11,502
<b>Total funds</b>	12,311	7,906	(7,868)	(1)	(144)	12,204

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
East London Arts and Music	<b>356</b>	<i>275</i>
The London Screen Academy	<b>390</b>	<i>811</i>
Central services	<b>116</b>	<i>296</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>862</b>	<i>1,382</i>
Restricted fixed asset fund	<b>11,248</b>	<i>11,502</i>
Pension reserve	<b>(199)</b>	<i>(680)</i>
	<hr/>	<hr/>
<b>Total</b>	<b>11,911</b>	<i>12,204</i>
	<hr/> <hr/>	<hr/> <hr/>

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2022</b>	<i>Total 2021</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
East London Arts and Music	1,299	714	257	368	<b>2,638</b>	<i>2,134</i>
London Screen Academy	2,538	1,267	478	1,042	<b>5,325</b>	<i>4,437</i>
Central services	-	617	25	(10)	<b>632</b>	<i>643</i>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy</b>	<b>3,837</b>	<b>2,598</b>	<b>760</b>	<b>1,400</b>	<b>8,595</b>	<i>7,214</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Restricted fixed asset funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Tangible fixed assets	-	-	11,227	<b>11,227</b>
Current assets	682	1,026	21	<b>1,729</b>
Creditors due within one year	116	(962)	-	<b>(846)</b>
Provisions for liabilities and charges	-	(199)	-	<b>(199)</b>
<b>Total</b>	<u>798</u>	<u>(135)</u>	<u>11,248</u>	<u><b>11,911</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	-	-	11,502	<b>11,502</b>
Current assets	702	1,396	-	<b>2,098</b>
Creditors due within one year	-	(716)	-	<b>(716)</b>
Provisions for liabilities and charges	-	(680)	-	<b>(680)</b>
<b>Total</b>	<u>702</u>	<u>-</u>	<u>11,502</u>	<u><b>12,204</b></u>

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(1,251)</b>	36
<b>Adjustments for:</b>		
Depreciation	<b>745</b>	653
Capital grants from DfE and other capital income	<b>(452)</b>	(135)
Interest receivable	<b>4</b>	2
Defined benefit pension scheme cost less contributions payable	<b>468</b>	330
Defined benefit pension scheme finance cost	<b>10</b>	3
Increase in debtors	<b>(76)</b>	(102)
Increase in creditors	<b>130</b>	108
<b>Net cash (used in)/provided by operating activities</b>	<b>(422)</b>	895

**21. Cash flows from investing activities**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Dividends, interest and rents from investments	<b>(4)</b>	(2)
Purchase of tangible fixed assets	<b>(523)</b>	(280)
Proceeds from the sale of tangible fixed assets	<b>52</b>	-
Capital grants from DfE Group	<b>452</b>	135
<b>Net cash used in investing activities</b>	<b>(23)</b>	(147)

**22. Analysis of cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Cash in hand and at bank	<b>1,384</b>	1,829
<b>Total cash and cash equivalents</b>	<b>1,384</b>	1,829



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**23. Analysis of changes in net debt**

	<b>At 1 September 2021 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2022 £000</b>
Cash at bank and in hand	1,829	(445)	1,384
	1,829	(445)	1,384
	1,829	(445)	1,384

**24. Capital commitments**

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Contracted for but not provided in these financial statements</b>		
Expenditure contracted for but not provided in the accounts	-	611
	-	611

**25. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Islington Council Pension Fund and London Borough of Tower Hamlets Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £91.4k were payable to the schemes at 31 August 2022 (2021 - £77.2k) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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**25. 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 £622k (2021 - £518k)

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2022 was £236k (2021 - £231k), of which employer's contributions totalled £156k (2021 - £153k) and employees' contributions totalled £80k (2021 - £78k). The agreed contribution rates for future years are 24.5 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**

East London Arts & Music

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase in salaries	<b>3.25</b>	3.1
Rate of increase for pensions in payment/inflation	<b>3.05</b>	2.9
Discount rate for scheme liabilities	<b>4.25</b>	1.7

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**25. 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:

	<b>2022</b>	<i>2021</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	<b>21.5</b>	<i>21.7</i>
Females	<b>23.7</b>	<i>23.9</i>
<i>Retiring in 20 years</i>		
Males	<b>22.7</b>	<i>23.0</i>
Females	<b>25.5</b>	<i>25.7</i>

London Screen Academy

	<b>2022</b>	<i>2021</i>
	<b>%</b>	<i>%</i>
Rate of increase in salaries	<b>4.2</b>	<i>3.8</i>
Rate of increase for pensions in payment/inflation	<b>2.8</b>	<i>2.4</i>
Discount rate for scheme liabilities	<b>4.2</b>	<i>1.8</i>

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

	<b>2022</b>	<i>2021</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	<b>22.7</b>	<i>22.8</i>
Females	<b>25.3</b>	<i>25.3</i>
<i>Retiring in 20 years</i>		
Males	<b>24.1</b>	<i>24.3</i>
Females	<b>27.1</b>	<i>27.2</i>

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**25. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>At 31 August 2022</b>	<i>At 31 August 2021</i>
	<b>£000</b>	<b>£000</b>
Equities	505	423
Corporate bonds	39	70
Property	95	62
Cash and other liquid assets	43	5
Other	51	27
<b>Total market value of assets</b>	<b>733</b>	<b>587</b>

The actual return on scheme assets was £-29k (2021 - £67k).

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>
Current service cost	618	477
Interest income	(11)	(7)
Interest cost	21	10
Administrative expenses	6	6
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>634</b>	<b>486</b>

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>1,267</b>	<b>497</b>
Current service cost	618	477
Interest cost	21	10
Employee contributions	80	78
Actuarial (gains)/losses	(999)	205
Benefits paid	(55)	-
<b>At 31 August</b>	<b>932</b>	<b>1,267</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Pension commitments (continued)**

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	<b>587</b>	<i>294</i>
Interest income	<b>11</b>	<i>7</i>
Actuarial (losses)/gains	<b>(40)</b>	<i>61</i>
Employer contributions	<b>156</b>	<i>153</i>
Employee contributions	<b>80</b>	<i>78</i>
Benefits paid	<b>(55)</b>	<i>-</i>
Admin expense	<b>(6)</b>	<i>(6)</i>
<b>At 31 August</b>	<b>733</b>	<i>587</i>

**26. 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.

**27. Related party transactions**

During the year, the Academy received a total of £5k (2021: £59k) from EON Productions limited. Mr M Wilson is a Director of EON Productions Limited and a Trustee of Day One Trust.

Trustees remuneration and expenses are disclosed in note 12.

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

**28. Agency arrangements**

The Academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £155k (2021: £108k) and disbursed £92k (2021: £55k) from the fund. Included in other creditors is the balance amounting to £186k (2021: £123k).

**29. Post balance sheet events**

On the 20 September 2022, The Trust entered into an agreement with the Secretary of State for the long term leasehold (125 years) of Ladbroke House, 62-66 Highbury Grove, Highbury East, London, N5 2AG.

