

Company Registration No. 07400386 (England and Wales)

UNITY SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



UNITY SCHOOLS PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mike Parish
Lesley Birch
Paul Marshall
Tim Elbourne

Directors

Paul Reed (Resigned 20 December 2018)
Gordon Jones
Ian Jacobs
Tim Coulson (Accounting Officer)
Mike Parish (Chair of Trust Board)
Roger Quince (Chair of Audit Committee)
John Smith (Chair of Remuneration Committee)
Dean Sykes
Laura Barbrook (Appointed 8 May 2019)
Nick Jenkins (Appointed 8 May 2019)

Executive leadership team

- Chief Executive Officer	Tim Coulson
- Director of Education (Primary)	Darren Woodward
- Director of Education (Primary)	Stephen Astley
- Director of Education (Secondary)	Rosemary Prince
- Director of Operations	Debbie Willson
- Director of Research School & Teaching School	Andy Samways
- Trust Secretary	Lisa Taylor
- Director of Finance and HR	Sarah Garner

Company registration number

07400386 (England and Wales)

Registered office

Unity Schools Partnership
Park Road
Haverhill
Suffolk
CB9 7YD

UNITY SCHOOLS PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Headteacher
Abbots Green Primary School	Bury St Edmunds	A Morrison
Burton End Primary Academy	Haverhill	K Sheargold
Castle Manor Academy	Haverhill	V Whitcombe
Churchill Special Free School	Haverhill	G Ellis
Clements Primary Academy	Haverhill	V Hogg
Coupals Primary Academy	Haverhill	D Maguire
Ditton Lodge Primary School	Newmarket	M Moore
Glemsford Primary Academy	Glemsford	B Jeffery
Houldsworth Valley Primary Academy	Newmarket	L Tweed
Kedington Primary Academy	Kedington	V Doherty
Laureate Community Academy	Newmarket	D Perkins
Newmarket Academy	Newmarket	N Froy
Place Farm Primary Academy	Haverhill	J Sendall
Samuel Ward Academy	Haverhill	A Hunter
St Edward's Church of England Academy	Romford	J Hassan
Steeple Bumpstead Primary School	Steeple Bumpstead	M Nicholls
Sybil Andrews Academy	Bury St Edmunds	T King
The Bridge School	Ipswich	H Simmons
Thomas Gainsborough School	Great Cornard	W Lloyd
Wells Hall Primary School	Great Cornard	J Cleaver
Westfield Primary Academy	Haverhill	T Kittle
Wickhambrook Primary Academy	Wickhambrook	R Towns
Woodhall Primary School	Sudbury	M Fuller
 Independent auditor	 RSM UK Audit LLP Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA	
 Bankers	 Lloyds Bank plc 8 High Street Haverhill Suffolk CB9 8BA	
 Solicitors	 Stone King LLP Wellington House East Road Cambridge CB1 1BH	

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT

The Directors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust is responsible for two special free schools, fifteen primary academies and six secondary academies predominantly in Suffolk, but now also including schools in Cambridgeshire, Essex and the London Borough of Havering, with the aim of developing local clusters of interdependent, self-sustaining outstanding schools that develop:

- Successful learners;
- Confident individuals; and
- Responsible citizens.

Its academies have a combined pupil roll of 10,424 as at 31 August 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration number 07400386) and an exempt charity. The charitable company's memorandum and articles of association is the primary governing document of the Academy Trust.

Unity Schools Partnership was incorporated on 7 October 2010 and became a Multi-Academy Trust on 9 August 2013. At this time, it comprised of Samuel Ward Academy and Churchill Special Free School. Over the last nine years the Trust has continued to grow at a steady pace with one further school joining the Trust this academic year. On 1 June 2019, The Bridge Special School in Ipswich became the newest member of the Trust.

The Directors are Directors of the Charitable Company for the purpose of the Companies Act 2006 and Trustees for the purpose of charity legislation. Details of the Directors who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1. Since the incorporation of St Edwards Church of England Academy, Unity Schools Partnership amended its articles to include the appointment of a Diocese approved Member. Rev. Tim Elbourne became a member on 1 April 2018 to fulfil this role.

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.

Directors' indemnities

Directors of the company are covered by the Education, Skills and Funding Agency Risk Protection Arrangements under their Directors' Indemnity policy.

Method of recruitment and appointment or election of Directors

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the articles of association. The members can appoint up to 11 Directors through such a process as they may determine. In practical terms, this is led by the Chair of the Board and/or an existing Director with the support of external agencies.

Directors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

The make-up of the board includes experienced professionals who have a good understanding of the operational and legal requirements of running an establishment such as Unity Schools Partnership.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Directors

Directors have developed a scheme of delegation and provided training for all Directors. Additional training has been provided by the Academy Trust, and external providers including Suffolk County Council. The Academy Trust also engaged the support and expertise of a highly experienced Educationalist to support and advise the Board during 2018/19 adding valuable sector insight.

Organisational structure

Unity Schools Partnership has established a unified structure to enable its efficient running. The structure consists of three levels: The Board along with its Audit Committee and Remuneration Committee; the Executive Management Team, and Local Governing Bodies at each individual academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Directors is responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met, and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

Each Academy will also have a Senior Leadership Team consisting of the senior management at each Academy. These teams are responsible for the day to day operation of the academies, organising the teaching staff, curriculum, facilities and students.

The Local Governing Bodies are made up of a mix of local people including staff, parents and central trust nominees. They act as a 'critical friend' to the Head Teacher and Academy, a 'sounding' board at a local level and to ensure that Unity Schools Partnership values remain at the heart of the academy community. The Trust has a governance adviser to support the work of the local governing bodies and the Trust Board.

The Chair of the Board and the Chief Executive Officer meet and share information with the Local Governing Bodies on a regular basis. Furthermore, members of the Executive Leadership Team regularly attend Local Governing Body meetings and sub committees.

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision-making matters. The Board meets regularly throughout the academic year through a series of structured and systematic meetings.

Arrangements for setting pay and remuneration of key management personnel

Unity Schools Partnership has its own Remuneration Committee who meet on a regular basis to discuss matters relating to the setting of pay and remuneration of the Executive Leadership Team. Where appropriate this committee will also review any settlement agreements prior to Board approval.

The Remuneration Committee also review all recommendations for pay increments for the Executive Leadership Team.

Key Management Personnel salaries are set in accordance with the Trust's pay policy. The Trust's pay scales are set in accordance with the National Teaching and Support staff pay scales. These are reviewed annually in line with other Trusts.

Trade Union facility time

Unity Schools Partnership subscribe to the Trade Union Facility service provided by the JCNC (Joint Consultative and Negotiating Committee). This is a service provided by lay officers from the Union who are teachers and can therefore provide relevant, appropriate and robust support to staff.

There is one official Union representative, based at a school within the Trust. It is estimated that they spend 70% of their time during term time on Union related matters. Costs amounting to £38,600 per annum have been recovered from the Local Authority.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Related parties and co-operation with other organisations

The Academy Trust operates under the Seven Principles of Public Life, known as the Nolan Principles. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

These principles are reflected in the way we declare and deal with related party transactions so that we are operating fairly, transparently and we are open to scrutiny. Potential for conflict of interest arises when an individual could gain, or be perceived to gain, from an aspect of the Academy Trust business. All potential conflicts of interest and pecuniary interests are declared at the start of each meeting. All purchasing decisions made by the Academy Trust follow the same procurement and/or commissioning procedures. Any business links with Directors or other Trust Officers have been made in accordance with these procedures.

The Trust Board is confident that conflict of interest is handled according to the Seven Principles of Public Life and in accordance with the Academies Financial Handbook.

The Trust is part of a broader group of schools called Suffolk Borders Teaching Alliance, a teaching school that works with not only schools in the Trust but other local schools. The Teaching School works closely with the other Teaching Schools across Suffolk. This has led to the accreditation of the Unity Research School, which has a responsibility to promote evidence informed practice in a wide range of schools that includes the Trust but much wider too. The objectives of the Teaching School and Research School are to support schools through research and development and initial teacher training (ITT), provide continuous professional development (CPD), peer to peer support, school to school support, talent and succession planning.

OBJECTIVES AND ACTIVITIES

Objects and aims

Our objective for 2023 is to achieve "Results Plus" in all schools. This will be achieved as follows:

- All schools currently in the Trust are judged at least good at inspection and 50% are judged outstanding.
- The Trust is amongst the highest performing Trusts nationally for attainment of disadvantaged pupils.
- Children and young people are equipped for life.
- The Trust has enabled teachers to be free to attend to what matters for children and young people as well achieving great results.
- Staff are delighted to work in the Trust.
- The Trust has a leading voice in the development of education policy nationally.
- Income streams have been developed beyond Government funding.

Strategy

It aims to achieve these objectives through:

- Recruiting, developing and retaining the best people for all its roles across the trust (leadership and development programme).
- Capturing the most effective practices and implementing these in all schools (school improvement programme).
- Developing a strong performance culture that looks to improve on previous best (performance programme).
- Changing the resource model of schooling with both new income streams and more efficient use of resources (resource programme).

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The Directors consider that the Academy Trust's aims and the activities undertaken to achieve them are demonstrably to the public benefit.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Our growth strategy has led to one additional school joining the Trust last year, two further schools who joined on 1 September 2019 and potentially others joining throughout the year. We have been successful in realising our aim of building four clusters of schools in the four large towns of West Suffolk. The additional schools have enabled us to increase Trust capacity, secure a fifth hub in East Suffolk and have greatly improved transitions between primary and secondary tiers.

We have made strong progress in improving educational standards across our schools. Reviews suggest that most have made significant improvements reflected in the academic outcomes in the summer of 2019 which were very strong in many schools.

The learning environments of many of our schools have improved as the result of investment by the Trust through our own capital monies as well as extensive new building investments by the Local Authority at two schools.

The Trust is now in the position to play an increasingly strategic regional role. We have developed strong links with community leaders, trusts and councils across the Eastern region which is informing educational strategy, improving communications, and building capacity. We are committed to supporting the DfE, the Office of the Regional Schools Commissioner and Suffolk County Council in their strategic focus of educational improvement in the East and have positive relationships with all of them.

The Trust had a very successful year meeting most of its performance targets:

Successful Learners

Five of the six secondary schools within the Trust achieved good or better KS4 progress 8 results in 2019. The remaining school, Samuel Ward Academy has put measures in place to match the other schools for 2020. Thomas Gainsborough School and Sybil Andrews Academy achieved the highest Maths and English progress outcomes in the Trust well above the national average.

For our disadvantaged students, Newmarket Academy, St Edward's Church of England Academy, Sybil Andrews Academy and Thomas Gainsborough School achieved pupils progress in Maths and English clearly above national average. Sybil Andrews Academy had outstanding English outcomes and Thomas Gainsborough School outstanding Maths outcomes. The strongest English and Maths attainment in the Trust in 2019 was at Thomas Gainsborough School.

Results across the primary schools showed strong progress in mathematics. The proportion of pupils reaching expected standards at 11 in all of reading, writing and maths increased to nearly the national average position. Three larger primary schools had weaker results – were these to improve, the results across the trust will move to above national average.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Confident Individuals

Attendance for the Trust as a whole is better than the national picture but will continue to be a significant focus for the Trust in 2019-20. In the primary schools it increased from 95.6% to 96.0%, above the national average which fell below 96%. Persistent absence in these schools fell from 8.5% to 7.3%, better than the national picture. In secondary schools, attendance increased from 94.6% to 95.1%, above the national average. Persistent absence fell from 12.9% to 12.3%, improving a picture already better than national. We had ten primary schools with attendance above national, with four of those well above. In secondary schools, five of the six schools were above the national average with one school well above. The remaining secondary school was at the national average. We fully expect to improve these figures again in 2019-20, aiming for all schools to be above average for attendance and to push on towards a long-term target of 97%.

Responsible Citizens

All students in all Trust schools continue to be encouraged to act as responsible citizens not only within their schools but also within their local communities. Four of our schools, Castle Manor Academy, Thomas Gainsborough School, Burton End Primary Academy and Newmarket Academy have been actively involved in the Dementia Befriending initiatives this year, undertaking training and actively supporting their local communities in various activities including sing-a-longs and visits to care homes.

Five of our schools were presented with Junior Road Safety Awards from Suffolk County Council; Laureate Community Academy were awarded the Gold award, Houldsworth Valley Primary Academy, Woodhall Primary School, Wickhambrook Primary Academy and Abbots Green Primary School also attended the ceremony to receive their awards.

Schools were also involved in a wide variety of other charity and fund-raising events, including UNISON's "Stars in our Schools' day", afternoon tea as part of the Age UK's "Big chinwag" initiative supporting elderly people in care homes and HelloYellow the Mental Health awareness campaign.

Financial review

Most of the Academy Trust's income is obtained from the Education Skills & Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to educational purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, total income of £74,467k (which excludes transfers from local authority on conversion) exceeded total expenditure of £65,682k (which excludes transfers from the local authority on conversion). The excess of expenditure over income for the year before transfers, pension fund movements, restricted fixed asset movements, and transfers from the local authority and existing academies was £264k, represented by an decrease in restricted general funds of £1,326k and an increase in unrestricted funds of £1,062k. The impact of transfers on these funds gives an increase in restricted general funds of £1,074k, and a decrease in the unrestricted fund of £485k.

At 31 August 2019 the net book value of fixed assets was £184,547k. Movements in intangible fixed assets are shown in note 14 and tangible assets in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Assets of £29,154k were acquired during the year ended 31 August 2019 of which £12,750k were donated by the Local Authority and £11,581k were gifted by the Local Authority on conversion to Academy Trust. Assets of £4,823k were funded by General Annual Grant (GAG), capital grants, other restricted funds and unrestricted funds.

In accordance with FRS 102, the Trust received an actuarial assessment of its pension scheme deficit. The deficit balance of £18,019k is included within the balance sheet as at 31 August 2019 and supporting notes to the financial statements.

Though the pension scheme represents a significant liability on the balance sheet, it does not present a significant issue for the Trust in respect of cash flow, as it will not crystallise at once. Contributions for the coming year are the primary factor for the Trust when considering the impact that the liability has on cash flow, and these have been appropriately reflected within forecasts and will be settled on a timely basis.

The deficit on restricted general funds at 31 August 2019 was £2,160k, reduced from £2,866k in at 31 August 2018. A conscious effort was made at Trust level to recover historic deficits early in the budgeting process, as such each school was asked to contribute 2% of its GAG income to support the aggregated Trust reserves position. This resulted in a contribution towards reserves of £921k, the remainder of the variance was achieved as a direct impact of closer scrutiny of costs, procurement savings in staffing reorganisations in some schools.

Financial and risk management objectives and policies

The Directors have assessed the major risks to which the Academy Trust is exposed and specific risks are identified relating to the teaching, safeguarding, provision of facilities and other operational areas of the Academy Trust and its finances.

The Directors have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the controls in order to minimise risk.

The Directors and the Executive Management Team undertake its responsibilities towards Safeguarding very seriously and ensure that all staff receive regular, appropriate and relevant safeguarding training. The Trust have appointed a Safeguarding Lead for the Trust and ensure that Safer Recruitment trained individuals are involved in the appointment of all staff.

Furthermore, the Trust have continued to take positive action this year to ensure that all staff are aware of the Whistleblowing policy and how to invoke it should they feel the need to.

Where significant financial risk still remains, the Trust have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Effective risk management provides the board of directors with assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. As a Trust, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and actuarial assessed pension fund deficit. The academy trust recognises the need to monitor the impact of cash flow and will project cash flow based on cash inflows and outflows at the start of the year and review the bank balance throughout the year. Future budgets will be monitored in line with staffing levels/costs and follow benchmarking guidelines as set out by the Education Skills and Funding Agency.

There is a deficit in the pension scheme of £18,019k as disclosed in note 28. The Secretary of State has agreed that in the event of the Trust closing, the Local Government Pension Scheme liabilities would be met by the Department for Education.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Reserves policy

The directors have determined that a level of funds retained should be at least equivalent to one month's total salary commitment to enable the academy trust to react to budget changes within a manageable period without the use of cash flow advances from the ESFA. One month's salary commitment for August 2019 was £3.7m.

The total of restricted general and unrestricted funds (excluding the pension reserve) held at 31 August 2019 was a surplus of £55k which is still significantly below the salary monthly commitment.

The free reserves are represented by the unrestricted fund. As at 31 August 2019, the free reserves are £2,215k.

Investment policy

The Trust is committed to continue to invest in its strategic aims to enhance the experiences of young individuals by ensuring that they are all safe, receiving the best education possible and that they become confident and considerate individuals.

Furthermore, the Trust prides itself on investing in the continuous professional development of its staff, offering them a wider range of opportunities to meet their career aspirations and pushing the boundaries to help them to achieve the best for their students.

In terms of its infrastructure, the Trust will continue to invest in its assets, to build, maintain and develop conducive learning environments and central places for the community to be proud of.

Key performance indicators

During 2018/19, six schools were inspected. Laureate Primary School was judged good with outstanding features, maintaining its previous rating. Westfield and Kedington Primary Academies were also both judged good. Castle Manor Secondary Academy was inspected for the first time since joining the Trust and achieved a good status, significantly improved since its prior inspection. More disappointingly however Sybil Andrews and Samuel Ward Academies were both judged as requiring improvement, whilst not the result we would have liked, it was felt that this reflected the trusts own opinion at the time and hence a significant amount of support and capacity have been given to both schools to address the issues.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

The Trust will continue to focus on improving the education of the children it is responsible for by further improving achievement, teaching and learning and leadership. Its expectation is that all its schools will be at least good in Ofsted terms. It will continue to focus on improving the quality of teaching in Key Stage 2, especially in Maths, on the development of literacy and writing across our primary schools and the new GCSE specifications at secondary level. Middle leadership, governance and outcomes for disadvantaged pupils across all schools remain a high priority.

The Board and the Executive Team are working effectively with school leadership teams and local governing bodies and over the next year the trust will continue to develop its infrastructure and centralised services and policies in order to support continued growth.

We will work with the Local Authority, Regional Schools' Commissioner, the Department of Education and other Single Academy Trusts and Multi Academy Trusts to identify potential schools to join the trust that fit with our criteria for growth.

We will continue to find ways to enhance our back-office functions to offer academies the benefits of economies of scale and improved more efficient levels of service.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Principal risks and uncertainties

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Trust's Risk Register is comprehensive and is actively reviewed by the Executive Team, the Audit committee and the Trust Board on a regular basis. The Trust utilises the use of an independent internal auditor to perform a suite of internal audits based around a rolling programme aligned around the Risk Register and topical risks.

Local school level risks are monitored via termly meetings with key members of the Executive Team. Where appropriate, systems or procedures have been established to mitigate the risks each school faces.

The key areas of focus are:

Governance & Legal

The key risks in this area relate to the relationship with the Trustees and Governing Bodies, the capacity and performance of the Board and the maintenance of a strong internal control framework. Governance reviews are on-going, and skills audits are undertaken. New internal auditors have been appointed from 19-20 to advise the Board on issues regarding financial control.

Strategic

The key risks in this area relate to the delivery of Unity Schools Partnership 5-year strategic plan of "Results Plus" whilst ensuring suitable attention to core business and the performance of the Executive team. Capacity with the central team is continually reviewed to ensure correct skill set and sufficient capacity.

Educational

The key risk in this area relates to under performance of academies and underachievement against student outcomes and progress with adverse Ofsted judgements. Significant Board and Executive Team time is spent focusing on the delivery of the key strategic objectives of the Trust of which student outcomes are paramount.

Human Resources

Key risks in this area relate to retention and recruitment of key employees, attendance management, consistency of HR practice and policy implementation.

The centralised HR team undertake robust vetting procedures of new staff following whilst also ensuring that all appointments and recruitment processes are managed by personnel who have been "safer recruitment" trained.

Other Legal & Operational

The key risks in this area relate to non-compliance with the Freedom of Information Act, General Data Protection Regulations (GDPR) and data quality. Comprehensive annual training on GDPR is provided to all staff including what to do in the case of a data breach and training on Freedom of Information is provided to key personnel.

The Trust's risk register is comprehensive and deals with a wide range of matters relating to the above. Where appropriate, adequate insurance cover is procured to mitigate any residual risks. The Trust has cash balance and other working capital balances.

Financial Liquidity Risk

Unity Schools Partnership manages its cash resources, including appropriate working capital balances, so that all operating needs are met without the need of any borrowings. Surplus cash is invested in short term deposit accounts with the objective of maximising interest income without incurring undue risk. Trade debtors and trade creditors are managed within the credit terms agreed.

Financial Sustainability Risk

The Trust must demonstrate rigours medium term financial planning and an operating environment focused on value for money in line with the Academies Financial Handbook. UnitySP are sitting on cash surpluses which have built up over the last two years.

UNITY SCHOOLS PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

Other Risks

The Trust is exposed to risks similar to other MATs and academies related to the funding from central and local governments. Credit risk in this respect is negligible however appropriate funding levels specifically related to the needs of the children in its schools will rely on the future of fair funding for Education.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

In accordance with the Trust's Disability Equality Policy:

- The Academy Trust has established its own Equality and Diversity committee who are committed to addressing issues of inequality and discrimination and raising awareness of current issues across the trust, the committee have recognised disabilities as a key area of focus for 2019-20.
- The Governing Body and Headteacher in discussion with disabled staff will endeavour to provide any aids and support that would help them to fulfil their role in the academy.
- Disabled members of staff will be offered the same conditions of service, employment rights, promotion and training opportunities as other staff in the same roles in each academy.
- Disabled staff are encouraged to bring any complaints about their treatment as disabled staff to the notice of the head teacher/principal in the first instance. All staff may use the academy's grievance procedure if they consider this to be the best route.

Unity Schools Partnership are committed to being an Equal Opportunities Employer.

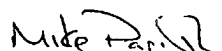
AUDITOR

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement as to disclosure of information to auditor

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

The Directors' report is approved by order of the Board of Directors and the Strategic report (included therein) is approved by the Board of Directors in their capacity as the Directors at a meeting on 12.12.19 and signed on its behalf by:



Mike Parish
Chair of Trust Board

UNITY SCHOOLS PARTNERSHIP

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Paul Reed (Resigned 20 December 2018)	1	1
Gordon Jones	4	5
Ian Jacobs	4	5
Tim Coulson (Accounting Officer)	5	5
Mike Parish (Chair of Trust Board)	5	5
Roger Quince (Chair of Audit Committee)	5	5
John Smith (Chair of Remuneration Committee)	5	5
Dean Sykes	3	5
Laura Barbrook (Appointed 8 May 2019)	1	1
Nick Jenkins (Appointed 8 May 2019)	0	1

The Trust Board has matured significantly in the last 12 months, this has been achieved through the strong direction of the Chair and a strong commitment of the Directors to get into the heart of the issues, offering guidance advice and constructive feedback on all aspects involved in managing the organisation. The Board is robust, solid and effective, with a collective mix of skills and career experiences.

Governance reviews

The Trust has appointed a Governance Compliance Officer to help support the Trust Board and Local Governing Bodies. Throughout 2018-19 she has undertaken informal reviews with almost all Governing Bodies ensuring standardisation of board agenda's, discussions around the scheme of delegation and identifying skills gaps. In 2019-20 all LGB's will be issued with a Trust Governance handbook which will set out best practice and give support, information and guidance on the roles and responsibilities of local governors.

The Governance Compliance Officer undertook an evaluation of the Board to ascertain its effectiveness and impact. The review was carried out in March 2019 with all Trustees present. As a result of the review the Trust Board have committed to appointing someone with more of an educational background as its new Chair in 2019/20. A similar review will be undertaken in the summer of 2020.

Internal Audit services were commissioned in the year through Schools Choice, a number of audits were carried out identifying minor issues within some schools around controls and procedures, all of which have been reviewed and remedied. In the main, the issues were around lack of awareness in schools of Trust policies, these have been reviewed and shared amongst key school staff.

UNITY SCHOOLS PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

The Audit Committee is a sub-committee of the main Board of Directors. The terms of reference for the Audit Committee are:

- to monitor the integrity of the Financial Statements of the Trust and any formal announcements relating to the Trust's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the Trust's internal financial controls and the internal control and risk management systems;
- to monitor and review the effectiveness of the Trust's internal audit function;
- to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to report to the Board on how it has discharged its responsibilities.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of possible
Gordon Jones	2	2
Ian Jacobs	1	2
Roger Quince (Chair of Audit Committee)	2	2
Sarah Garner (Executive)	2	2

Review of value for money

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

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

- the appointment of a Procurement Officer to the trusts central team;
- supporting and leading the establishment of a Suffolk Schools procurement framework;
- long term contracts being regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality;
- a full tender process took place to review the Internal Audit provision which resulted in a better and more robust service being secured;
- as a multi academy trust we are able to save money using economies of scale with purchases for example print, broadband and IT equipment;
- the in-sourcing of payroll, creating a more flexible, timely and tailored service to its staff;
- we have also undertaken a review of external services we are currently purchasing to look at opportunities to provide services internally and therefore save money as well as provide a more effective service e.g. payroll and contract management.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Schools Partnership for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

UNITY SCHOOLS PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Trust Finance Director, the Board and Local Governing Bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.
- termly operational reviews by the trusts leadership team at each academy.

For 2018/19 the directors procured the Internal Audit Service from Schools' Choice. On a quarterly basis Schools' Choice undertook an independent review of the financial systems and provided a written report providing feedback on how the academy trust's financial affairs are being discharged. The Trusts Finance Director presented this report to the Audit Committee.

For 2019/20 the directors have awarded the Internal Audit service contract to SBM Business Services.

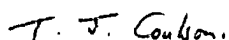
Review of effectiveness

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

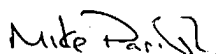
- The work of the Executive Management Team within the academy who have responsibility for the development and maintenance of the internal control framework.
- The work of the internal auditor.
- The work of the external auditor.

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

Approved by order of the Board of Directors on 12.12.19 and signed on its behalf by:



Tim Coulson
Accounting Officer



Mike Parish
Chair of Trust Board

UNITY SCHOOLS PARTNERSHIP

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Unity Schools Partnership I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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

T. J. Coulson.

Tim Coulson
Accounting Officer

UNITY SCHOOLS PARTNERSHIP

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Unity Schools Partnership) are responsible for preparing the Directors' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

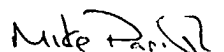
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 Directors on 12.12.19 and signed on its behalf by:



Mike Parish
Chair of Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY SCHOOLS PARTNERSHIP

Opinion

We have audited the financial statements of Unity Schools Partnership (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its *incoming resources and application of resources*, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Annual Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY SCHOOLS PARTNERSHIP (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the directors, who also act as trustees for the charitable activities of Unity Schools Partnership, 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 Directors 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 Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

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

RSM UK Audit LLP

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk, IP32 7FA
20 December 2019

UNITY SCHOOLS PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2019	Total 2018
	Notes	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	4	123	453	16,763	17,339	3,645
Donations - transfer from local authority on conversion	32	18	(729)	11,605	10,894	8,232
Donations - transfer of existing academy into the trust		-	-	-	-	16,363
Charitable activities:						
- Funding for educational operations	5	2,613	52,841	-	55,454	46,276
- Funding for teaching school	5,33	-	285	-	285	137
Other trading activities	6	1,278	108	-	1,386	1,229
Investments	7	3	-	-	3	2
Other income		-	-	-	-	233
Total		<u>4,035</u>	<u>52,958</u>	<u>28,368</u>	<u>85,361</u>	<u>76,117</u>
Expenditure on:						
Raising funds	8	228	4	-	232	201
Charitable activities:						
- Educational operations	9	2,727	54,664	7,714	65,105	52,061
- Teaching School	9,33	-	345	-	345	243
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	148
Total		<u>2,955</u>	<u>55,013</u>	<u>7,714</u>	<u>65,682</u>	<u>52,653</u>
Net income/(expenditure)		1,080	(2,055)	20,654	19,679	23,464
Transfers between funds	22	(577)	252	325	-	-
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(6,141)	-	(6,141)	2,797
Net movement in funds		503	(7,944)	20,979	13,538	26,261
Reconciliation of funds						
Total funds brought forward		1,712	(12,235)	164,931	154,408	128,147
Total funds carried forward		<u>2,215</u>	<u>(20,179)</u>	<u>185,910</u>	<u>167,946</u>	<u>154,408</u>

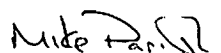
UNITY SCHOOLS PARTNERSHIP

BALANCE SHEET

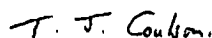
AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	14		158		150
Tangible assets	15		184,389		162,958
			<u>184,547</u>		<u>163,108</u>
Current assets					
Stocks	16	43		79	
Debtors	17	4,338		4,224	
Cash at bank and in hand		4,656		2,397	
		<u>9,037</u>		<u>6,700</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(7,363)		(5,811)	
Net current assets			<u>1,674</u>		<u>889</u>
Total assets less current liabilities			<u>186,221</u>		<u>163,997</u>
Creditors: amounts falling due after more than one year	19		(256)		(220)
Net assets excluding pension liability			<u>185,965</u>		<u>163,777</u>
Defined benefit pension scheme liability	28		(18,019)		(9,369)
Net assets			<u>167,946</u>		<u>154,408</u>
Funds of the Academy Trust:					
Restricted funds	22				
- Restricted fixed asset funds			185,910		164,931
- Restricted income funds			(2,160)		(2,866)
- Pension reserve			(18,019)		(9,369)
Total restricted funds			<u>165,731</u>		<u>152,696</u>
Unrestricted income funds	22		<u>2,215</u>		<u>1,712</u>
Total funds			<u>167,946</u>		<u>154,408</u>

The financial statements on pages 19 to 58 were approved by the Board of Directors and authorised for issue on 12.12.19 and are signed on their behalf by:



Mike Parish
Chair of Trust Board



Tim Coulson
Accounting Officer

UNITY SCHOOLS PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	26	1,528	(934)
		<u>1,528</u>	<u>(934)</u>
Cash flows from investing activities			
Cash funds transferred on conversion		46	515
Interest received		3	2
Capital grants from DfE Group		2,216	1,506
Capital funding received from sponsors and others		1,797	1,894
Purchase of intangible fixed assets		(56)	(38)
Purchase of tangible fixed assets		(3,322)	(2,395)
Proceeds from sale of tangible fixed assets		-	233
		<u>684</u>	<u>1,717</u>
Net cash provided by investing activities			
Cash flows from financing activities			
New other loan		94	120
Repayment of other loan		(47)	(61)
		<u>47</u>	<u>59</u>
Net cash provided by financing activities			
Net increase in cash and cash equivalents in the reporting period		<u>2,259</u>	<u>842</u>
Cash and cash equivalents at beginning of the year		2,397	1,555
Cash and cash equivalents at end of the year		<u><u>4,656</u></u>	<u><u>2,397</u></u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

General information

Unity Schools Partnership is a charitable company (the Academy Trust). The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' Report.

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

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

The Directors believe the going concern basis adopted in preparing the financial statements is appropriate because:

- the reasons for tight cash flow for some schools within the Academy Trust has partly been due to lagged funding in previous periods. The academies are having to bear the costs of higher pupil numbers and staffing without having the associated funding until the following academic year. Schools within the academy trust are in consultation to reduce expenditure to bring it into line with income;
- some schools within the Academy Trust are oversubscribed and therefore there is little risk currently that pupil numbers will drop;
- cash levels and performance against budget are closely monitored ensuring that any issues or shortfalls can be quickly and efficiently remedied. It is considered that cash levels within the Trust are sufficient to meet the needs of the organisation.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Transfer from local authority on conversion

The conversion from a state maintained school into an Academy Trust involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The Bridge School to the Academy Trust have been included at their fair value. The fair value has been derived based on that of equivalent items. The fair value of land and buildings included has been derived based on depreciated replacement cost data provided by the local authority. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended.

Donations

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

Donated assets are recognised within income when title passes to the Trust, and the value can be reliably measured.

Other income

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

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (Continued)

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Raising funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20%
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Tangible fixed assets and depreciation

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values on a straight-line basis over their useful lives on the following bases:

Freehold property	2%
Leasehold property	2%
Building improvements	10%
Computer equipment	20%
Fixtures, fittings, plant and machinery	10 - 20%

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. 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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

Leased assets

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

Financial instruments

The Academy Trust has adopted Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Stock

Unsold uniforms, textbooks and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the DfE Group, as well as other third parties.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the 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 academy 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 Academy Trust is also acting as an agent to distribute a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets from the Academy Trust. These funds have been excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in note 31.

Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme defined benefit liability

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 28, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Church school land and buildings

On transfer of St Edward's Church of England Academy into the Academy Trust, a value was required to be attributed to the land and buildings occupied by the School, as it was considered that the substance of the arrangements relating to occupation of the site equate to ownership. As no previous valuations had been performed on the site, a Directors' valuation was used, based upon an existing School within the Trust with a comparable PAN, and reflecting the location of the transferring site. Though assumptions have been applied, it is not considered that the resulting value reflected within these financial statements would result in a material difference from the transferring value of the site.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

3. Comparative year information

Year ended 31 August 2018	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2018 £000
Income and endowments from:				
Donations and capital grants	125	120	3,400	3,645
Donations - transfer from local authority on conversion	12	(757)	8,977	8,232
Donations - transfer of existing academy into the trust	478	(2,051)	17,936	16,363
Charitable activities:				
- Funding for educational operations	2,057	44,219	-	46,276
- Funding for teaching school	-	137	-	137
Other trading activities	1,183	46	-	1,229
Investments	2	-	-	2
Other income	-	-	233	233
Total	3,857	41,714	30,546	76,117
Expenditure on:				
Raising funds	193	8	-	201
Charitable activities:				
- Educational operations	2,672	46,818	2,571	52,061
- Teaching School	-	243	-	243
Charitable expenditure - transfer from local authority on conversion	-	130	18	148
Total	2,865	47,199	2,589	52,653
Net income/(expenditure)	992	(5,485)	27,957	23,464
Transfers between funds	(1,886)	622	1,264	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	2,797	-	2,797
Net movement in funds	(894)	(2,066)	29,221	26,261

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

4 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Donated fixed assets	-	12,750	12,750	-
Capital grants	-	2,216	2,216	1,569
Other donations	123	2,250	2,373	2,076
	<u>123</u>	<u>17,216</u>	<u>17,339</u>	<u>3,645</u>

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
General annual grant (GAG)	-	44,758	44,758	37,793
Start up grants	-	375	375	140
Other DfE group grants	-	4,267	4,267	3,445
	<u>-</u>	<u>49,400</u>	<u>49,400</u>	<u>41,378</u>
Other government grants				
Local authority grants	-	3,368	3,368	2,796
	<u>-</u>	<u>3,368</u>	<u>3,368</u>	<u>2,796</u>
Teaching School	-	285	285	137
Other incoming resources	2,613	73	2,686	2,102
	<u>2,613</u>	<u>358</u>	<u>2,971</u>	<u>2,239</u>
	<u>2,613</u>	<u>53,126</u>	<u>55,739</u>	<u>46,413</u>

6 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	383	-	383	333
Sale of goods	91	-	91	109
Other income	804	108	912	787
	<u>1,278</u>	<u>108</u>	<u>1,386</u>	<u>1,229</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Interest from bank balances	3	-	3	2

8 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds					
- Direct costs	131	-	101	232	201
Academy's educational operations					
- Direct costs	36,713	7,714	3,894	48,321	38,276
- Allocated support costs	8,280	4,640	3,864	16,784	13,785
Teaching School					
- Direct costs	113	-	29	142	159
- Allocated support costs	100	-	103	203	84
Total support costs	45,337	12,354	7,991	65,682	52,505

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	386	209
Depreciation of tangible fixed assets	3,277	2,527
Amortisation of intangible fixed assets	47	40
Loss/(gain) on disposal of fixed assets	4,391	(233)
Net interest on defined benefit pension liability	284	239
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	58	53
- Other services	14	6
- Audit-related assurance	12	3
- All other taxation advisory	2	-

Included within expenditure are the following transactions:

	2019 £000
Unrecoverable debts - total	25

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Direct costs				
Educational operations	1,106	47,215	48,321	38,276
Teaching School	-	142	142	159
Support costs				
Educational operations	1,621	15,163	16,784	13,785
Teaching School	-	203	203	84
	<u>2,727</u>	<u>62,723</u>	<u>65,450</u>	<u>52,304</u>
		Educational operations	Total 2019	Total 2018
	Teaching School	£000	£000	£000
Analysis of support costs				
Support staff costs	101	8,451	8,552	8,541
Premises costs	-	4,640	4,640	3,605
Other support costs	77	3,004	3,081	1,100
Governance costs	25	689	714	623
	<u>203</u>	<u>16,784</u>	<u>16,987</u>	<u>13,869</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £000	2018 £000
Wages and salaries	33,389	29,583
Social security costs	3,196	2,803
Pension costs	7,440	6,551
Staff costs - employed	44,025	38,937
Agency staff costs	1,219	530
Staff restructuring costs	93	389
	45,337	39,856
Staff development and other staff-related costs	366	350
Total staff expenditure	45,703	40,206

Staff restructuring costs comprise:

Redundancy payments	6	179
Severance payments	86	210
Other restructuring costs	1	-
	93	389

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £19,099 (2018: £179,347). Individually, the payments were: £8,262 and £10,837.

Staff numbers

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

	2019 Number	2018 Number
Teachers	596	576
Administration and support	872	784
Management	28	26
	1,496	1,386

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff (Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	20	18
£70,001 - £80,000	3	2
£80,001 - £90,000	8	6
£90,001 - £100,000	3	1
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
	<u>33</u>	<u>29</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £869,588 (2018: £677,163).

11 Central services

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

- Executive Team Leadership
- Targeted school improvement support – Science and Leadership
- Financial administration services, including hub finance support, in-house payroll service and transactional processing services
- Dedicated HR Services (HR transactional support, contract management, wellbeing, HR Helpdesk, recruitment and employee relations)
- Legal & Professional Services
- Teaching & Learning support including school reviews and access to learning advisors and a wide range of educational resources
- Centralised ICT
- Property Management and building condition improvement services
- Executive PA support

The Academy Trust charges for these services on the following basis:

All academies were charged the same flat rate of 6% of their whole schools' general annual grant (GAG) funding, and a smaller percentage of some other recurrent grant funding.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Central services (Continued)

The amounts charged during the year were as follows:	2019 £000	2018 £000
Abbots Green Primary School	90	27
Burton End Primary Academy	86	65
Castle Manor Academy	177	126
Churchill Special Free School	91	67
Clements Primary Academy	69	50
Coupals Primary Academy	57	40
Ditton Lodge Primary School	45	33
Glemsford Primary Academy	50	35
Houldsworth Valley Primary Academy	66	50
Kedington Primary Academy	43	32
Laureate Community Academy	61	40
Newmarket Academy	191	131
Place Farm Primary Academy	88	65
Samuel Ward Academy	365	276
St Edward's Church of England Academy	312	110
Steeple Bumpstead Primary School	41	13
Sybil Andrews Academy	180	102
The Bridge School	48	-
Thomas Gainsborough School	426	291
Wells Hall Primary School	93	75
Westfield Primary Academy	90	66
Wickhambrook Primary Academy	38	25
Woodhall Primary School	89	70
Teaching School	47	-
	<u>2,843</u>	<u>1,789</u>

12 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer only receives remuneration in respect of services provided in undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of services as Director.

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

		2019 £	2018 £
Dr Tim Coulson	Remuneration	152,250	145,000
	Pension contributions	29,091	23,896

During the year ended 31 August 2019, travel and subsistence expenses totalling £6,066 (2018: £2,679) were reimbursed or paid directly to one director (2018: one).

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Directors and officers insurance

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

14 Intangible fixed assets

	Computer software £000
Cost	
At 1 September 2018	237
Additions	56
Transfer between classes	(1)
	<hr/>
At 31 August 2019	292
	<hr/>
Amortisation	
At 1 September 2018	87
Charge for year	47
	<hr/>
At 31 August 2019	134
	<hr/>
Carrying amount	
At 31 August 2019	158
	<hr/>
At 31 August 2018	150
	<hr/>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

15 Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Fixtures, fittings, plant and machinery	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2018	76,222	90,504	2,025	1,712	702	171,165
Transfer on conversion	-	11,534	31	16	-	11,581
Additions	12,915	177	469	671	3,285	17,517
Transfer between classes	484	66	(1)	1,059	(1,607)	1
Disposals	(4,915)	-	-	-	(303)	(5,218)
At 31 August 2019	84,706	102,281	2,524	3,458	2,077	195,046
Depreciation						
At 1 September 2018	4,359	1,827	1,167	854	-	8,207
On disposals	(827)	-	-	-	-	(827)
Charge for the year	1,286	1,317	348	326	-	3,277
Transfer between classes	(112)	112	-	-	-	-
At 31 August 2019	4,706	3,256	1,515	1,180	-	10,657
Net book value						
At 31 August 2019	80,000	99,025	1,009	2,278	2,077	184,389
At 31 August 2018	71,863	88,677	858	858	702	162,958

Transfer between classes relate to the transfer of assets under construction to their completed categories and to correct the classification of assets at Samuel Ward Academy between leasehold and freehold.

16 Stocks	2019	2018
	£000	£000
Goods for resale	43	79
	<u>43</u>	<u>79</u>
17 Debtors	2019	2018
	£000	£000
Trade debtors	174	301
VAT recoverable	573	815
Other debtors	86	25
Prepayments and accrued income	3,505	3,083
	<u>4,338</u>	<u>4,224</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Creditors: amounts falling due within one year	2019	2018
	£000	£000
Trade creditors	2,196	1,608
Other taxation and social security	703	722
ESFA creditors - abatement of GAG	253	452
Other creditors	1,390	1,179
Accruals and deferred income (see note 20)	2,821	1,850
	<u>7,363</u>	<u>5,811</u>

Included within other creditors are loans totalling £58,145 (2018: £47,170) from ESFA in relation to Salix loans. No interest is charged on these loans and they are unsecured.

19 Creditors: amounts falling due after more than one year	2019	2018
	£000	£000
Other creditors	<u>256</u>	<u>220</u>
Loan maturity		
Debt due in one year or less	58	47
Due in more than one year but not more than two years	58	47
Due in more than two years but not more than five years	130	129
Due in more than five years	67	44
	<u>313</u>	<u>267</u>

Included within other creditors are loans totalling £255,420 (2018: £219,755) from ESFA in relation to Salix loans. No interest is charged on these loans and they are unsecured.

20 Deferred income	2019	2018
	£000	£000
Deferred income is included within:		
Creditors due within one year	<u>1,046</u>	<u>897</u>
Deferred income at 1 September 2018	897	821
Released from previous years	(897)	(821)
Resources deferred in the year	<u>1,046</u>	<u>897</u>
Deferred income at 31 August 2019	<u>1,046</u>	<u>897</u>

At the reporting date the academy trust was holding funds received in advance for future school trips, rates relief, early years funding and universal infant free school meals funding.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Financial instruments

	2019 £000	2018 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,323	3,291
Carrying amount of financial liabilities		
Measured at amortised cost	5,115	3,508

22 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	(3,357)	44,758	(44,221)	238	(2,582)
Start up grants	27	375	(228)	(10)	164
Other DfE / ESFA grants	239	4,267	(4,453)	87	140
Other government grants	179	3,368	(3,436)	(25)	86
Teaching School	(26)	285	(345)	(1)	(87)
Other restricted funds	72	638	(554)	(37)	119
Pension reserve	(9,369)	(733)	(1,776)	(6,141)	(18,019)
	<u>(12,235)</u>	<u>52,958</u>	<u>(55,013)</u>	<u>(5,889)</u>	<u>(20,179)</u>
Restricted fixed asset funds					
Transfer on conversion	162,858	11,605	(6,288)	(10,264)	157,911
DfE group capital grants	-	2,216	(582)	4,701	6,335
Capital expenditure from revenue funds	250	-	(313)	1,491	1,428
Unspent capital grants	2,117	-	-	(427)	1,690
Overspent capital grants	(27)	-	-	(56)	(83)
Salix loans	(267)	-	-	(47)	(314)
Other capital income	-	14,547	(531)	4,927	18,943
	<u>164,931</u>	<u>28,368</u>	<u>(7,714)</u>	<u>325</u>	<u>185,910</u>
Total restricted funds	<u>152,696</u>	<u>81,326</u>	<u>(62,727)</u>	<u>(5,564)</u>	<u>165,731</u>
Unrestricted funds					
General funds	<u>1,712</u>	<u>4,035</u>	<u>(2,955)</u>	<u>(577)</u>	<u>2,215</u>
Total funds	<u>154,408</u>	<u>85,361</u>	<u>(65,682)</u>	<u>(6,141)</u>	<u>167,946</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2019.

Start up grants

Start up grants relates to income received to cover the start up costs of schools on converting to an Academy.

Other DfE/ESFA grants

Other DfE/ESFA grants include:

- Pupil Premium must be used to support the cost of raising the attainment of disadvantaged pupils.
- Universal infant free school meals funding must be used to provide free school meals to infant school pupils.

Other government grants

Other government grants include:

- SEN funding which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.
- Early years funding received for 3 and 4 year olds.
- Other lower level grants and donations received for a particular purpose. Any relevant costs have been offset against this income.

Teaching School

Teaching school grant is received from the ESFA and National College as part of the teaching school status.

Other restricted funds

Other restricted funds represent lower level grants and donations received for a particular purpose. Any relevant costs have been offset against this income.

Pension reserve

The Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

Restricted fixed asset funds

Restricted fixed asset funds include:

- Transfer on conversion relates to the assets transferred from predecessor schools upon joining the Academy Trust. Income relates to the value of assets transferred on schools joining the Academy Trust where the net transfer was recognised as a net gain in the statement of financial activities. Expenditure relates to depreciation in respect of these assets.
- DfE group capital grants relates to capital grants received during the year including devolved formula capital grants, schools condition allowance and healthy pupils capital fund.
- Capital expenditure from revenue funds includes fixed assets purchased by schools within the Academy Trust following conversion. Expenditure relates to depreciation charged on these assets.
- Unspent capital grants relates to capital grants received which have not been spent at the year end.
- Salix loans represent the amounts owed in respect of loans taken out to fund the purchase of assets.
- Other capital income relates to capital donations and income from other sources.

Unrestricted funds

These funds relate to unrestricted income to be used to support the Academy Trust's objectives and educational activities.

Transfers

Transfers between funds during the year relate to fixed asset purchases from unrestricted income and GAG funding and allocation of capital grants and additions between restricted fixed asset funds.

Following a detailed review of the composition of funds in the previous year, a further transfer between funds has been made to correct the allocation of fund balances at the year end.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

Funds prior year

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	(5,001)	37,793	(38,762)	2,613	(3,357)
Start up grants	-	140	(253)	140	27
Other DfE / ESFA grants	1,155	3,445	(3,281)	(1,080)	239
Other government grants	1,174	2,796	(2,652)	(1,139)	179
Teaching School	80	137	(243)	-	(26)
Other restricted funds	-	211	(227)	88	72
Pension reserve	(7,577)	(2,808)	(1,781)	2,797	(9,369)
	<u>(10,169)</u>	<u>41,714</u>	<u>(47,199)</u>	<u>3,419</u>	<u>(12,235)</u>
Restricted fixed asset funds					
Transfer on conversion	135,505	26,913	(1,807)	2,247	162,858
DfE group capital grants	-	1,569	-	(1,569)	-
Capital expenditure from GAG	205	-	(782)	827	250
Unspent capital grants	-	-	-	2,117	2,117
Overspent capital grants	-	-	-	(27)	(27)
Salix loans	-	-	-	(267)	(267)
Other capital income	-	2,064	-	(2,064)	-
	<u>135,710</u>	<u>30,546</u>	<u>(2,589)</u>	<u>1,264</u>	<u>164,931</u>
Total restricted funds	<u>125,541</u>	<u>72,260</u>	<u>(49,788)</u>	<u>4,683</u>	<u>152,696</u>
Unrestricted funds					
General funds	<u>2,606</u>	<u>3,857</u>	<u>(2,865)</u>	<u>(1,886)</u>	<u>1,712</u>
Total funds	<u>128,147</u>	<u>76,117</u>	<u>(52,653)</u>	<u>2,797</u>	<u>154,408</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

Total funds analysis by academy

	2019 £000	2018 £000
Fund balances at 31 August 2019 were allocated as follows:		
Abbots Green Primary School	(49)	(71)
Burton End Primary Academy	452	379
Castle Manor Academy	(438)	(425)
Churchill Special Free School	709	576
Clements Primary Academy	237	202
Coupals Primary Academy	389	328
Ditton Lodge Primary School	81	68
Glemsford Primary Academy	(33)	(102)
Houldsworth Valley Primary Academy	307	289
Kedington Primary Academy	61	(26)
Laureate Community Academy	199	182
Newmarket Academy	(1,099)	(1,267)
Place Farm Primary Academy	440	343
Samuel Ward Academy	(2,225)	(2,439)
St Edward's Church of England Academy	358	485
Steeple Bumpstead Primary School	56	14
Sybil Andrews Academy	45	25
The Bridge School	(50)	-
Thomas Gainsborough School	260	(19)
Wells Hall Primary School	281	201
Westfield Primary Academy	654	544
Wickhambrook Primary Academy	32	(33)
Woodhall Primary School	290	177
Central services	(902)	(585)
Total before fixed assets fund and pension reserve	55	(1,154)
Restricted fixed asset fund	185,910	164,931
Pension reserve	(18,019)	(9,369)
Total funds	167,946	154,408

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

The following academies are carrying a net deficit on funds:

	Amount of Deficit £000
Abbots Green Academy	(49)
Castle Manor Academy	(438)
Glemsford Primary Academy	(33)
Newmarket Academy	(1,099)
Samuel Ward Academy	(2,225)
The Bridge School	(50)
Central Services	(902)

The above-named academies, as well as all others within the Trust, have taken action to reduce their deficit funds by reducing expenditure. In almost all cases this has resulted in significant staffing restructures which had addressed the levels of teaching and support staff appropriate to the numbers of children and where appropriate for secondary schools this has been led by a significant review of the curriculum planning models and offerings.

Furthermore, the Trust continues to review its income generation strategies and funding opportunities to reduce the deficits in those named schools. Overall the Trust has worked incredibly hard to recover the overall deficit position published last year, bringing the position back to a positive position, albeit this still falls somewhat short of the Trust reserves policy.

The Trust are currently consulting on GAG and Reserves pooling for all academies and it is expected a decision will be made on this during the 2019/20 financial year.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation and loss on disposals	Total 2019	Total 2018
	£000	£000	£000	£000	£000	£000
Abbots Green Primary School	1,266	94	76	303	1,739	797
Burton End Primary Academy	1,159	133	65	217	1,574	1,578
Castle Manor Academy	2,283	426	111	486	3,306	3,305
Churchill Special Free School	1,129	83	19	136	1,367	1,399
Clements Primary Academy	949	106	70	227	1,352	1,255
Coupals Primary Academy	734	93	96	205	1,128	1,021
Ditton Lodge Primary School	662	72	21	172	927	957
Glemsford Primary Academy	722	77	47	137	983	983
Houldsworth Valley Primary Academy	954	112	36	182	1,284	1,244
Kedington Primary Academy	542	54	64	163	823	825
Laureate Community Academy	894	77	35	165	1,171	1,221
Newmarket Academy	2,377	338	77	969	3,761	3,707
Place Farm Primary Academy	1,164	157	77	274	1,672	1,609
Samuel Ward Academy	4,410	700	232	927	6,269	6,917
St Edward's Church of England Academy	3,937	712	173	919	5,741	2,163
Steeple Bumpstead Primary School	532	98	39	91	760	318
Sybil Andrews Academy	2,213	296	204	675	3,388	2,489
The Bridge School	681	46	10	226	963	-
Thomas Gainsborough School	5,480	778	398	1,089	7,745	7,404
Wells Hall Primary School	1,334	181	55	202	1,772	1,848
Westfield Primary Academy	1,221	129	94	268	1,712	1,605
Wickhambrook Primary Academy	503	39	30	123	695	703
Woodhall Primary School	1,277	117	74	238	1,706	1,758
Central services	3,110	1,247	163	1,610	6,130	6,493
	<u>39,533</u>	<u>6,165</u>	<u>2,266</u>	<u>10,004</u>	<u>57,968</u>	<u>51,599</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	158	158
Tangible fixed assets	-	-	184,389	184,389
Current assets	2,894	4,466	1,677	9,037
Creditors falling due within one year	(679)	(6,626)	(58)	(7,363)
Creditors falling due after one year	-	-	(256)	(256)
Defined benefit pension liability	-	(18,019)	-	(18,019)
Total net assets	2,215	(20,179)	185,910	167,946

	Unrestricted Funds £000	Restricted funds: General Fixed asset £000 £000		Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	150	150
Tangible fixed assets	-	-	162,958	162,958
Current assets	2,135	2,448	2,117	6,700
Creditors falling due within one year	(423)	(5,314)	(74)	(5,811)
Creditors falling due after one year	-	-	(220)	(220)
Defined benefit pension liability	-	(9,369)	-	(9,369)
Total net assets	1,712	(12,235)	164,931	154,408

24 Capital commitments

The Academy Trust had capital commitments relating to school improvement works of £678,247 (2018: £1,350,000) at 31 August 2019.

25 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	463	344
Amounts due between one and five years	529	589
	<u>992</u>	<u>933</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

26 Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the reporting period (as per the statement of financial activities)	19,679	23,464
Adjusted for:		
Net surplus on conversion to academy	(10,894)	(8,084)
Net gain on transfer of existing academy	-	(16,363)
Capital grants from DfE and other capital income	(16,763)	(3,400)
Interest receivable	(3)	(2)
Defined benefit pension scheme costs less contributions payable	1,492	1,412
Defined benefit pension scheme finance cost	284	239
Depreciation of tangible fixed assets	3,277	2,527
Amortisation of intangible fixed assets	47	40
Loss on disposal of fixed assets	4,391	-
Profit on sale of bungalow	-	(233)
Movements in working capital:		
Decrease in stocks	36	41
(Increase) in debtors	(114)	(1,675)
Increase in creditors	96	1,143
Stocks, debtors and creditors transferred on conversion	-	(43)
Net cash provided by/(used in) operating activities	1,528	(934)

27 Members' liability

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

28 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. 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 2016.

Contributions amounting to £755,194 were payable to the schemes at 31 August 2019 (2018: £683,215) and are included within creditors.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £3,587,520 (2018: £3,230,361).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are listed below for employers and 5.5% to 12.5% for employees.

	2019 %
Suffolk County Council	24.5
Cambridgeshire County Council	22.5
London Borough of Havering	24.46
Essex County Council	21.9

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.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

	2019 £000	2018 £000
The deficit for the year is allocated:		
Suffolk County Council	14,342	6,906
Cambridgeshire County Council	488	309
London Borough of Havering	2,674	1,761
Essex County Council	515	393
	<u>18,019</u>	<u>9,369</u>

	2019 £000	2018 £000
Total contributions made		
Employer's contributions	2,379	1,794
Employees' contributions	581	483
	<u>2,960</u>	<u>2,277</u>

Local Government Pension Scheme - Suffolk County Council

During the year The Bridge School transferred into the academy trust. The obligation in respect of employees who transferred to the academy trust representing their cumulative service to the predecessor employer was recognised in the statement of financial activities as part of the gain on transfer as set out in note 32.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	<u>1.8</u>	<u>2.8</u>

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.3	21.9
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.3	23.9
- Females	<u>24.9</u>	<u>26.4</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £000	2018 Fair value £000
Equities	11,301	11,119
Bonds	6,103	4,842
Property	4,973	1,794
Other assets	226	179
Total fair value of assets	<u>22,603</u>	<u>17,934</u>

The actual return on scheme assets was £1,043,000 (2018: £799,000).

Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	3,214	3,036
Net interest cost	214	204
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	136	-
Total operating charge	<u>3,564</u>	<u>3,240</u>

Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	24,840	21,995
Obligations acquired on conversion	1,901	819
Current service cost	3,214	3,036
Interest cost	758	599
Employee contributions	511	443
Actuarial loss/(gain)	5,727	(1,905)
Benefits paid	(142)	(147)
Past service cost	136	-
At 31 August 2019	<u>36,945</u>	<u>24,840</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £000	2018 £000
At 1 September 2018	17,934	14,619
Assets acquired on conversion	1,168	476
Interest income	544	395
Return on plan assets (excluding net interest on the net defined pension liability)	499	404
Employer contributions	2,089	1,744
Employee contributions	511	443
Benefits paid	(142)	(147)
At 31 August 2019	22,603	17,934

Local Government Pension Scheme - Cambridgeshire County Council

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.5	22.4
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.4	24.0
- Females	24.9	26.3

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £000	2018 Fair value £000
Equities	261	213
Bonds	46	30
Property	38	19
Other assets	3	7
Total fair value of assets	<u>348</u>	<u>269</u>

The actual return on scheme assets was £14,000 (2018: £17,000).

Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	82	103
Net interest cost	9	9
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	3	-
Total operating charge	<u>94</u>	<u>112</u>

Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	578	364
Obligations acquired on conversion	-	148
Current service cost	82	103
Interest cost	17	14
Employee contributions	13	14
Actuarial loss/(gain)	143	(65)
Past service cost	3	-
At 31 August 2019	<u>836</u>	<u>578</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £000	2018 £000
At 1 September 2018	269	163
Assets acquired on conversion	-	18
Interest income	8	5
Return on plan assets (excluding net interest on the net defined pension liability)	6	12
Employer contributions	52	57
Employee contributions	13	14
	<u>348</u>	<u>269</u>
At 31 August 2019	<u>348</u>	<u>269</u>

Local Government Pension Scheme - London Borough of Havering

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
	<u>1.8</u>	<u>2.8</u>

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.1	22.0
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.2	23.9
- Females	24.8	26.3
	<u>24.8</u>	<u>26.3</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £000	2018 Fair value £000
Equities	2,257	2,023
Bonds	1,345	1,089
Property	304	311
Other assets	434	467
Total fair value of assets	<u>4,340</u>	<u>3,890</u>
The actual return on scheme assets was £294,000 (2018: £170,000).		
Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	304	142
Net interest cost	51	21
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	56	(108)
Total operating charge	<u>411</u>	<u>55</u>
Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	5,651	-
Transferred in on existing academies joining the Academy Trust	-	5,709
Current service cost	304	142
Interest cost	162	60
Employee contributions	48	22
Actuarial loss/(gain)	887	(128)
Benefits paid	(94)	(46)
Past service cost	56	(108)
At 31 August 2019	<u>7,014</u>	<u>5,651</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £000	2018 £000
At 1 September 2018	3,890	-
Transferred in on existing academies joining the Academy Trust	-	3,658
Interest income	111	39
Return on plan assets (excluding net interest on the net defined pension liability)	183	241
Employer contributions	202	(24)
Employee contributions	48	22
Benefits paid	(94)	(46)
At 31 August 2019	4,340	3,890

Local Government Pension Scheme - Essex County Council

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.3	22.3
- Females	23.6	24.8
Retiring in 20 years		
- Males	23.0	24.5
- Females	25.4	27.1

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £000	2018 Fair value £000
Equities	270	224
Bonds	24	21
Gilts	23	19
Property	34	31
Other assets	76	56
Total fair value of assets	<u>427</u>	<u>351</u>

The actual return on scheme assets was £31,000 (2018: £20,000).

Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	65	33
Net interest cost	10	5
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	11	-
Total operating charge	<u>86</u>	<u>38</u>

Changes in the present value of defined benefit obligations	2019 £000	2018 £000
At 1 September 2018	744	-
Obligations acquired on conversion	-	724
Current service cost	65	33
Interest cost	20	8
Employee contributions	9	4
Actuarial loss/(gain)	93	(25)
Past service cost	11	-
At 31 August 2019	<u>942</u>	<u>744</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

28 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £000	2018 £000
At 1 September 2018	351	-
Assets acquired on conversion	-	310
Interest income	10	3
Return on plan assets (excluding net interest on the net defined pension liability)	21	17
Employer contributions	36	17
Employee contributions	9	4
At 31 August 2019	427	351

29 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures, except unless otherwise stated.

During the year the Academy Trust entered into the following transactions with a company in which a trustee has an interest:

Bury St. Edmunds Theatre Management Limited: an entity in which R Quince acts as Chairman. During the year there were transactions totalling £863 (2018: £3,368). There was a creditor outstanding of £Nil (2018: £347) at the year end. The Academy Trust made the purchase at cost in accordance with its financial regulations, which Mr Quince neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

No additional related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30 Post balance sheet events

After the year end, the following schools transferred into Unity Schools Partnership.

Academy	Location	Date of transfer
Felixstowe Academy	Felixstowe	1 September 2019
Langer Primary Academy	Felixstowe	1 September 2019

31 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019, the Academy Trust received £43,780 (2018: £47,908) and disbursed £23,613 (2018: £28,370) from the fund. An amount of £139,468 (2018: £119,301) is included in other creditors relating to undistributed funds that is repayable to ESFA.

As at 31 August 2019, the Academy Trust has included £25,508 (2018: £25,508) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the trust. During the year ending 31 August 2019, the trust disbursed £Nil (2018: £13,606) from the fund.

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

32 Conversion to an academy

On 1 June 2019 The Bridge School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Unity Schools Partnership from the Suffolk Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
The Bridge School	Ipswich	1 June 2019

	2019 £000
Net assets transferred:	
Leasehold land and buildings	11,534
Other tangible fixed assets	47
Cash	46
Pension scheme deficit	(733)
	<u>10,894</u>

	Unrestricted Funds £000	Restricted funds:		Total 2019 £000
		General £000	Fixed asset £000	
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	11,605	11,605
LA budget funds	18	4	-	22
LGPS pension funds	-	(733)	-	(733)
	<u>18</u>	<u>(729)</u>	<u>11,605</u>	<u>10,894</u>

UNITY SCHOOLS PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

33 Teaching School trading account	2019		2018	
	£000	£000	£000	£000
Direct income				
External funding		156		137
Other direct income		129		-
		<u>285</u>		<u>137</u>
Total income		285		137
Direct costs				
Direct staff costs	113		139	
Staff development	13		11	
Other direct costs	10		1	
Technology costs	1		-	
Educational supplies and services	1		2	
Educational consultancy	4		6	
	<u>142</u>		<u>159</u>	
Other costs				
Support staff costs	101		48	
Other support costs	77		32	
Share of governance costs	25		4	
	<u>203</u>		<u>84</u>	
Total expenditure		(345)		(243)
Transfers between funds excluding depreciation		(1)		-
Deficit from all sources		<u>(61)</u>		<u>(106)</u>
Teaching School balances at 1 September 2018		(26)		80
Teaching School balances at 31 August 2019		<u>(87)</u>		<u>(26)</u>