

Equitas Academies Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number
07662289 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR



Equitas Academies Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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Equitas Academies Trust
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Reference and Administrative Details

Members	Mr Simon Spencer Mr David Jones Mr Phil Godwin Ms Kate Mulleady (appointed 8/12/2020)
Trustees	Mr Wadim Wesolek (Chair) Mr Simon Harris (Vice Chair) appointed 7/12/2020 Mr Simon Spencer Mr Herville Hector Mr Michael Bartley Mr David Jones Mr Roland Barrett-Price Ms Adain Bailey (appointed 29/3/2021) Mrs Jayne Hackett Mr Conor Hickey (appointed 12/7/2021) Mr Errol Lawson (resigned 4/1/2021)
Company secretary	Simon Dilkes (resigned 23/7/2021) Sharon Elliot (appointed 24/7/2021)
Senior management team	
<ul style="list-style-type: none">• Chief Executive Officer• Headteacher• Interim Headteacher• Headteacher• Chief Operations Officer	Alex Lofthouse Jill Sweeney Andrew Murphy (resigned 19/2/2021) Nanette Wragg (appointed 22/2/2021) Simon Dilkes (resigned 23/7/2021)
Company name	Equitas Academies Trust
Principal and registered office	Aston Manor Academy, Phillips Street, Birmingham, B6 4PZ
Company registration number	07662289
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank 3260 - Commercial Client Servicing Team (SME) 2 Bankhead Crossway North Edinburgh EH11 4DT
Solicitors	Brown Jacobson Victoria Square House, Victoria Square B2 4BU

**Equitas Academies Trust
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Trustees' report for the year ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 1 primary and 1 secondary school serving catchment areas in Birmingham which are:

- Aston Manor Academy
- Chilwell Croft Academy

They have a combined pupil capacity of 1395 and had a roll of 1399 in the school census on Autumn Census 2021.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The Trustees of Equitas Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Equitas Academies Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the trustees who are elected under the Articles of Association.

Trustees are recruited via variety of methods, which include:

- Invitation of persons known to the trust, who are able to benefit the trust through their knowledge and/or experience;
- Contact with local corporate bodies, which through their Corporate and Social Responsibility framework may recommend employees who have the time, skills and expertise benefit the Trust;
- Adverts via established recruitment networks for Trustees, such as via the National Governors Association and Inspiring Governance.

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Trustees' report for the year ended 31 August 2021 (continued)

Method of recruitment and appointment or election of Trustees (continued)

To ensure that the board and its committees have the appropriate balance of skills and knowledge to enable them to discharge their duties, appointments are made on merit and takes account of the benefits of diversity in respect of gender and race.

The appointment process includes:

- An assessment of skills and experience;
- The Chair and Vice Chair are elected annually and terms of office for being a committee member is reviewed annually.

Prior to the formal appointment at the Board potential trustees are invited to tour the schools and meet the Chief Executive Officer and Headteachers. They will then attend an informal interview with a small group of trustees.

Parent trustees are elected by the parents of registered pupils at the multi academy. A parent trustee must be a parent of a pupil at the multi academy at the time when she/he is elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction and training of trustees is critical to ensuring strong governance. The development of trustees is as important as the development of employees.

The induction and training process is:

- Attending meetings before becoming a trustee;
- Ongoing training in legislation and responsibilities, including information provided from DfE and ESFA during meetings;
- Awareness of the Academies Trust Handbook.

The trust has a Gold membership of the NGA.

Any trustees with named responsibility attends relevant training and provides information to trustees following such training.

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and General Purpose (incorporating Audit Committee)
- Raising Standards

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

Arrangements for setting pay and remuneration of key management personnel

Key management are regarded as the Trustees and the senior management team as listed. Trustees are unpaid.

The arrangement for setting the pay and remuneration of the key management personnel of the trust are:

- subject to the School Teachers Pay and Conditions Document (STPCD);
- guidance on school teachers pay and conditions;
- National Joint Council (NJC) for Local Government Services advice.

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Trustees' report for the year ended 31 August 2021 (continued)

Arrangements for setting pay and remuneration of key management personnel (continued)

For teaching staff, the determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range. For non-teaching staff, the determination is in line with validated job descriptions relevant to roles and by agreement between the Trust Board and Chief Executive Officer.

Incremental rises are dependent upon the successful completion of the previous year's performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made to the Finance & General Purposes Committee and their decision confirmed by the Board at the autumn term meeting.

Trade union facility time

The trust, via the individual schools, subscribes to Facilities Time through a Service Level Agreement with Birmingham City Council. No individual employee has undertaken paid trade union activities during the period.

Related parties and other Connected Charities and Organisations

All members and trustees complete pecuniary interests' declarations on an annual basis. The declaration sets out any relationship with the trust that is not directly related to their duties within these roles. Each individual is required to declare a potential "conflict of interest" if it arises between such declarations. This is an agenda item at each Board and committee meeting. Once a declaration has been made the individual concerned takes no further part in any decision relating to the matter declared.

Objectives and activities

Objects and aims

The strategic goal of Equitas Academies Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

Objectives, strategies and activities

The main objectives for the year are:

- Further develop governance and ensure there is a broad range of skills on the Trust Board to support the development of the Academy Trust.
- Fully embedding and further development of leadership and management throughout the trust, including Governance, the central team and SLT at Chilwell Croft Academy.
- To continue to ensure that the education experience and outcomes for children and students are of high quality despite the Covid pandemic.

The strategies adopted for achieving these objectives are:

- Develop and implement the new recruitment process for the board with a focus on recruiting professionals with specialism in education and finance to join the board
- Recruit suitably qualified Headteacher and Deputy Headteacher at Chilwell Croft Academy with support of external consultant.
- Develop and commence Equitas Leadership Academy for staff.
- Monitor education progress and outcomes effectively during the year, ensuring that remote education is in place when required.

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Embedding of the new central management structure and CEO model.
- Increasing cross Trust working in anticipation of growing the Trust in future years.

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Trustees' report for the year ended 31 August 2021 (continued)

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission. The trustees consider that the trust can clearly demonstrate that its aims are to advance education for public benefit.

Equitas Academies Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Our Objective

To provide high quality education provision for all academies within the trust that improves the outcomes of all our pupils.

What we did

Despite the pandemic we have continued to deliver a high-quality education experience both face to face and online. Staff and students have adapted to the ever-changing environment, putting student well being and progress at the heart of the decision-making process. In addition to the provision of education our schools have focused on safeguarding and wellbeing, ensuring that our pupils and students have adequate life essentials such as food through free school meal parcels. Both schools remained open during lockdown to a considerable number of vulnerable children and young people. During lockdown periods our Remote Education policies were put into action ensuring that students still received a well-rounded education and pastoral support system.

Continuing high quality professional development, and an outward facing team have helped us to refine our practice to sustain improvement over a number of years. As members of PIXL club, Jubilee Heads and the TITAN partnership amongst others, as well as running leadership development programmes in house, the development of staff is a priority, we are proud to have a skilled and experience staffing body. This has been a key factor in our continued improvement.

Our school improvement partner Richard Sutton interrogates our practice on an annual basis in order to ensure our priorities are focused on improving outcomes for all. Despite the restriction due to the pandemic he undertook a review at Chilwell Croft Academy. In addition to this we also commissioned an external safeguarding review of both schools.

Our Impact

The trust continues to improve performance year on year. Since progress scores have been introduced our achievement has been well above average. Over the last 3 years our results have been in the top 15 % in the country. This year our key stage 4 progress score is 0.63, an excellent result despite the continued disruption caused by the pandemic. We are well above average in the majority of our performance indicators, despite pupils entering the school with attainment levels well below average. The average grade students achieve in the sixth form this year was B for A Levels and Distinction+ for vocational subjects, an increase from the previous year. 100% of our students move onto their preferred destinations, many are the first in their families to enter higher education, and into professions such as medicine and law, and gaining sports scholarships abroad. For the second year running there were no external examination for our key stage 2 students.

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Trustees' report for the year ended 31 August 2021 (continued)

Summary of Results for 2020/21

Key Stage 5 Results

	APS per A-Level entry	APS per A-Level entry expressed as a grade	Average VA
2021 Results (provisional)			
2021 TAG	38.42	B	0.17 (-0.04 to 0.38)
2020 Results	38.57	B	0.69 (0.92 to 0.46)
2019 Results	31.23	C	0.22 (-0.05 to 0.5)
2018 Results	36.73	B-	0.42 (0.14 to 0.70)
<i>2019 National Average</i>	32.37	C+	---

	APS per Applied General entry	APS per Vocational entry expressed as a grade	Average VA
2021 Results (Provisional)			
2021 TAGs	36.82	DI+	0.28 (0.08 to 0.49)
2020 Results	35.29	Di	0.58 (0.80 to 0.35)
2019 Results	33.72	Di	0.30 (0.11 to 0.5)
2018 Results	34.67	Di	0.38 (0.06 to 0.69)
<i>2019 National Average</i>	28.89	Me+	N/A

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Trustees' report for the year ended 31 August 2021 (continued)

Key Stage 4 Results

	KS2 Prior Attainment	Prov P8 Score	A8 Score	Basics (9-5)	Basics (9-4)	English (9-5)	English (9-4)	Maths (9-5)	Maths (9-4)
TAG	4.57	0.63 (0.84-0.41)	47.56	40%	68%	66%	83%	46%	69%
NOV PPE		-1.11 (-1.32 to -0.90)	30.33	11%	25%	28%	52%	23%	36%
2020 Prov Results	4.61	0.64 (0.43-0.85)	4.83	37%	65%	57%	82%	48%	70%
2019 Results	4.61	0.44 (0.23-0.66)	4.66	41%	63%	64%	83%	47%	68%
2018 Results	4.29	0.44 (Top 31%)	4.27	28%	54%	57%	74%	33%	56%
2019 National BMK		0	4.67	43%	65%				

Key Performance Indicators

The trust has a proven track record of making outstanding progress between key stage 2 and key stage 4. To set targets for our key stage 4 performance, we use the data that students achieve at the end of key stage 2 in their primary schools. Our key stage 5 target setting process is based on the ALPS tool which generates aspirational targets based on students GCSE performance.

We have high expectations of all of our students at every key stage.

Key performance indicators include:

- OFSTED inspection outcomes
- Examination/key stage results
- Pupil attendance data
- Pupil/teacher contact time
- Average class sizes
- Direct costs as a percentage of total costs were 65.9% (2020 : 70.2%)
- Support costs as a percentage of total costs were 34.1% (2020 : 29.8%)
- Total payroll costs as a percentage of recurring income were 84.78% (2020 : 80.7%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi academy trust 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 Statement of Accounting Policies

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Trustees' report for the year ended 31 August 2021 (continued)

Financial Review

The financial results of Equitas Academies Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2021 total resources expended were £11,506,905 and the deficit of expenditure over income was £896,413 which included depreciation of £1,100,544.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2021 of £10,573,095 which included £1,193,163 restricted funds not available for general purposes of the multi academy trust, £924,082 of free reserves defined as unrestricted funds available for general purposes and £14,821,850 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £2,117,245.

In addition, the deficit on the restricted pension fund of £6,366,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of 1 month of salary expenditure, being approximately £638,000. Unrestricted reserves at 31 August 2021 therefore represent 1.4 months.

Investment Policy

Any surplus funds are invested with Lloyds Bank in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters. The Risk Register has been established to ensure that all areas in the Orange Book have been included. During the Covid pandemic electronic procedures were introduced for all business and operational systems which will be retained going forward.

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Trustees' report for the year ended 31 August 2021 (continued)

Principal Risks and Uncertainties (continued)

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

The principal risks are the loss of reputation through falling standards, falling student rolls and failure to safeguard the students of the trust.

Key controls in place are:

- An organised structure with defined roles, responsibilities and authorisation levels;
- Terms of Reference for the committees of the trust board;
- Financial planning, budgeting and regular management report;
- Formal written and published policies for employees;
- Vetting procedures as require by law for the protection of the vulnerable.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the period was monitored by the Trustees.

Plans for Future Periods

The trust strives to continually improve levels of attainment for all students equipping them with the qualifications, skills, and character to follow their chosen pathway, whether it be into further and higher education, or employment.

The curriculum, quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The trust believes that developing the whole child is critical to improving levels of attainment and in developing boarder skills and character, that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities. The following areas are identified as key areas of focus for development during 2021/22:

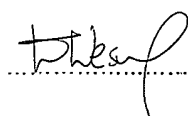
- closing gaps in student performance and outcome due to COVID pandemic.
- development of SEND provision due to changes in student cohort over past few years
- improvements in the physical estate to ensure that it is modern and fit for purpose
- improvement in the quality of IT across the Trust to support teaching and learning and business operations.

Auditor

Insofar as the Trustees are aware :

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2021 and signed on the board's behalf by:



Wadim Wesolek - Chair of Trustees

Equitas Academies Trust
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Governance statement for the year ended 31 August 2021

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the 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 Equitas Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Wadim Wesolek (Chair)	4	4
Mr Simon Harris (Vice Chair) appointed 7/12/2020	3	3
Mr Simon Spencer	3	4
Mr Herville Hector	1	4
Mr Michael Bartley	3	3
Mr David Jones	3	4
Mr Roland Barrett-Price	3	4
Ms Adain Bailey (appointed 29/3/2021)	1	2
Mrs Jayne Hackett	3	4
Mr Conor Hickey (appointed 12/7/2021)	1	1
Mr Errol Lawson (resigned 4/1/2021)	2	2

The new CEO has worked with the Trustees to recruit additional Trustees with Education, Legal and Finance expertise. The board is also becoming more diverse in terms of age and gender. Reporting at committees has become more standardised across the two schools and more detail has been provided to Finance and General Purposes committee regarding budgets and monthly management accounts.

A review of governance was undertaken at the end of 2019/20. The Trust Board has monitored the action plan each at full trust meeting to ensure that all action were carried out. The Action Plan was signed as completed in the July 2021 meeting of the board.

Actions taken included:

- Recruitment of additional expertise including legal, finance and education
- Implementing a robust Performance Management system for the CEO
- Financial training for the Accounting Officer, CEO, Trust Board and Headteachers
- Further development of the Risk Register
- Further development of Trustee Visits to schools and how these are reported back to the Board
- Increasing Trustee knowledge and training for Pupil Premium and Safeguarding
- Implementing a clear protocol in place for communication between the Trustees and Executive Leaders.

The trust intends to conduct its next self-evaluation/external review in 2021/22.

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Governance statement for the year ended 31 August 2021 (continued)

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to:

- assist the Board in its ongoing oversight of the Trust's arrangements for budgeting, financial planning, financial performance and financial reporting in respect of both revenue and capital activities.
- assist the Board on its ongoing oversight of all other support operations of the Trust, including Estates, Compliance, ICT and HR as required.

Trustee	Meetings attended	Out of a possible
Mr Wadim Wesolek	7	7
Mr David Jones	7	7
Mr Herville Hector	5	7
Ms Adain Bailey	2	3
Mr Roland Barrett-Price	2	7

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the multi 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 trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Procurement – we have sort to reduce costs and improve efficiency by purchasing full trust subscriptions and licences rather than separate ones for each school and the trust.
- Budgeting – the annual budget is approved by the Trust Board with regular updates provided to the Finance and General Purposes Committee throughout the year. Due to the pandemic additional resources have been provided to ensure that cover is available for staff absence related to Covid and that remote learning can continue for all pupils during lockdown periods.

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 the multi academy trust's 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 Equitas Academies Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the multi academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**Equitas Academies Trust
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Governance statement for the year ended 31 August 2021 (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The trustees have decided to:

- buy-in an internal audit service from Services 4 Schools (S4S).

Their role includes giving advice on financial matters and performing a range of checks on the multi academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- Testing of financial policies and procedures

On a termly/quarterly basis, the Internal Audit reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

For the year ended 31st August 2021, S4S carried out three internal control reviews for Equitas Academies Trust, during November 2020, March 2021 and August 2021. The reviews focused on the following areas:

November 2020 review:

The areas tested as agreed by the board of Trustees were as follows:

- Purchases
 - Accounting system
 - A review of our Financial Procedures, Financial Scheme of Delegation and Scheme of delegation
- March 2021 review:

The areas tested as agreed by the board of Trustees were as follows:

- Follow-up from previous visit action plan, any outstanding matters
- Payroll
- Reconciliations and month end procedures
- Reporting

August 2021 review: As agreed by the board of Trustees the schedule of testing for this term included the following:

- A review on the list of Policies that are held by the Trust (NB The content of the individual policies not reviewed, for completeness or accuracy.)
- Review of Procedures in place to prevent fraud, theft, and bribery
- High-level review of the Trusts Risk register (to ensure in line with ESFA guidance)

**Equitas Academies Trust
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Governance statement for the year ended 31 August 2021 (continued)

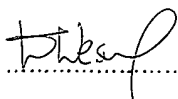
Review of Effectiveness

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:

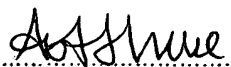
- the work of the internal reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2021 and signed on its behalf by:



Wadim Wesolek
Chair of Trustees



Alex Lofthouse
Accounting Officer

Equitas Academies Trust
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Statement of regularity, propriety and compliance
for the period ended 31 August 2021

As accounting officer of Equitas Academies Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2020.

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

 Alex Lofthouse - Accounting Officer

14 December 2021

Equitas Academies Trust
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Statement of Trustees' responsibilities
for the period ended 31 August 2021

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

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

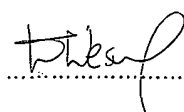
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 14 December 2021 and signed on its behalf by:

 Wadim Wesolek – Chair of Trustees

Equitas Academies Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
Equitas Academies Trust

Opinion

We have audited the financial statements of Equitas Academies Trust for the year to 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 multi academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period 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, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 multi academy trust 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

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the multi academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Equitas Academies Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust
(continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Multi Academy and its environment obtained in the course of the

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us

- adequate accounting records have not been kept, 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.

Equitas Academies Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust

(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 15), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the multi academy trust's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the multi academy trust's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

Equitas Academies Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust
(continued)

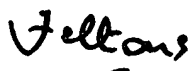
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

14 December 2021

Equitas Academies Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Equitas Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 April 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equitas Academies Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Equitas Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Equitas Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Equitas Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Equitas Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Equitas Academies Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

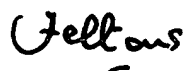
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Equitas Academies Trust
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Equitas Academies Trust
and the Education and Skills Funding Agency (continued)**

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

14 December 2021

Equitas Academies Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2020/21 £	Total 2019/20 £
Income from :							
Donations and capital grants	2	5,410	-	-	523,605	529,015	303,643
Charitable activities :	3						
Funding for the academy trust's educational operations		65,775	-	9,977,396	-	10,043,171	9,395,862
Teaching schools	27	-	-	36,000	-	36,000	6,030
Other trading activities	4	797	-	-	-	797	150
Investments	5	1,509	-	-	-	1,509	7,661
Total		73,491	-	10,013,396	523,605	10,610,492	9,713,346
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	73,491	588,000	9,710,120	1,100,544	11,472,155	10,418,330
Teaching schools	27	-	-	34,750	-	34,750	6,030
Total		73,491	588,000	9,744,870	1,100,544	11,506,905	10,424,360
Net income/(expenditure) before transfers		-	(588,000)	268,526	(576,939)	(896,413)	(711,014)
Transfers between funds	16	-	-	(393,692)	393,692	-	-
Net income/(expenditure) after transfers		-	(588,000)	(125,166)	(183,247)	(896,413)	(711,014)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	16, 25	-	(554,000)	-	-	(554,000)	(1,048,000)
Net movement in funds		-	(1,142,000)	(125,166)	(183,247)	(1,450,413)	(1,759,014)
Reconciliation of funds							
Total funds brought forward	16	924,082	(5,224,000)	1,318,329	15,005,097	12,023,508	13,782,522
Total funds carried forward		924,082	(6,366,000)	1,193,163	14,821,850	10,573,095	12,023,508

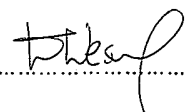
All of the Academy's activities derive from continuing operations during the above two financial periods.

Equitas Academies Trust
(A Company Limited by Guarantee)

Company number : 07662289
Balance sheet as at 31 August 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		14,809,686		14,902,264
Current assets					
Debtors	14	631,716		629,858	
Cash at bank and in hand		<u>2,712,241</u>		<u>2,394,268</u>	
		3,343,957		3,024,126	
Liabilities					
Creditors: amounts falling due within one year	15(a)	<u>1,212,178</u>		<u>671,764</u>	
Net current assets			2,131,779		2,352,362
Total assets less current liabilities			<u>16,941,465</u>		<u>17,254,626</u>
Creditors: amounts falling due after more than one year	15(b)		(2,370)		(7,118)
Net assets excluding pension liability			<u>16,939,095</u>		<u>17,247,508</u>
Defined benefit pension scheme liability	25		(6,366,000)		(5,224,000)
Total net assets			<u><u>10,573,095</u></u>		<u><u>12,023,508</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	16	14,821,850		15,005,097	
Restricted income fund	16	1,193,163		1,318,329	
Pension reserve	16	<u>(6,366,000)</u>		<u>(5,224,000)</u>	
Total restricted funds			9,649,013		11,099,426
Unrestricted income funds	16		924,082		924,082
Total funds			<u><u>10,573,095</u></u>		<u><u>12,023,508</u></u>

The financial statements on pages 22 to 45 were approved by the trustees, and authorised for issue on 14 December 2021 and are signed on their behalf by:



Wadim Wesolek - Chair of Trustees

Equitas Academies Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by operating activities	20	805,573	478,538
Cash flows from investing activities	21	(482,852)	(134,067)
Cash flows from financing activities	22	(4,748)	(4,747)
		<u>317,973</u>	<u>339,724</u>
Cash and cash equivalents at 1 September 2020		2,394,268	2,054,544
Cash and cash equivalents at 31 August 2021	23	<u>2,712,241</u>	<u>2,394,268</u>

Equitas Academies Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

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

Basis of preparation

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a year of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi 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.

Income

All incoming resources are recognised when the multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **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.

Equitas Academies Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi 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 multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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, less their estimated residual value, over their expected useful lives on the following bases.

Purchased computer software	33.33% straight line
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Equitas Academies Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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

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

Freehold property	24.55 years straight line
Long leasehold buildings	Term of lease
Building refurbishments	10 years straight line
Motor vehicles	20% straight line
Fittings and equipment	10% straight line
Computer hardware	33.33% straight line

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

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

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 or services it must provide.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Equitas Academies Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The multi 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 multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Equitas Academies Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

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

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

Critical accounting estimates and areas of judgement

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Equitas Academies Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	-	327,855	327,855	303,643
Donated fixed assets	-	-	195,750	195,750	-
Other donations	5,410	-	-	5,410	-
	<u>5,410</u>	<u>-</u>	<u>523,605</u>	<u>529,015</u>	<u>303,643</u>
2020 total	<u>-</u>	<u>-</u>	<u>303,643</u>	<u>303,643</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	8,286,467	-	8,286,467	7,991,530
Other DfE Group grants					
UFSM	-	28,454	-	28,454	32,995
Teachers pay	-	85,585	-	85,585	85,837
Teachers pension	-	241,838	-	241,838	240,596
Pupil premium	-	854,726	-	854,726	842,396
Others	-	76,141	-	76,141	58,516
Teaching School grants	-	36,000	-	36,000	6,030
	<u>-</u>	<u>9,609,211</u>	<u>-</u>	<u>9,609,211</u>	<u>9,257,900</u>
Other government grants					
Local authority grants	-	270,912	-	270,912	14,710
Other income from the academy trust's educational operations	65,775	-	-	65,775	110,049
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	92,400	-	92,400	-
Other DfE/ESFA Covid-19 funding	-	40,873	-	40,873	19,233
	<u>65,775</u>	<u>404,185</u>	<u>-</u>	<u>469,960</u>	<u>143,992</u>
	<u>65,775</u>	<u>10,013,396</u>	<u>-</u>	<u>10,079,171</u>	<u>9,401,892</u>
2020 total	<u>110,049</u>	<u>9,291,843</u>	<u>-</u>	<u>9,401,892</u>	

The academy received £92,400 of funding for catch-up premium and costs incurred in respect of this funding totalled £92,400.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	797	-	797	150
	<u>797</u>	<u>-</u>	<u>797</u>	<u>150</u>
2020 total	<u>150</u>		<u>150</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	1,509	-	1,509	7,661
	<u>1,509</u>	<u>-</u>	<u>1,509</u>	<u>7,661</u>
2020 total	<u>1,509</u>		<u>1,509</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2020/21 Total £	2019/20 Total £
Academy's educational operations					
Direct costs	6,140,807	591,624	845,800	7,578,231	7,312,884
Allocated support costs	2,406,361	1,039,231	448,332	3,893,924	3,105,446
Teaching school	-	-	34,750	34,750	6,030
	<u>8,547,168</u>	<u>1,630,855</u>	<u>1,328,882</u>	<u>11,506,905</u>	<u>10,424,360</u>
2020 total	<u>8,547,168</u>	<u>1,630,855</u>	<u>1,328,882</u>	<u>11,506,905</u>	<u>10,424,360</u>

Net income/(expenditure) for the period includes :

		2020/21 £	2019/20 £
Operating leases	- plant and machinery	30,235	41,660
Depreciation		1,100,544	1,079,085
Fees payable to auditor	- audit	13,550	13,400
	- other services	<u>250</u>	<u>290</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2020/21 Total £	2019/20 Total £
Educational operations					
Direct costs	29,262	-	7,583,719	7,612,981	7,318,914
Support costs	44,229	588,000	3,261,695	3,893,924	3,105,446
	<u>73,491</u>	<u>588,000</u>	<u>10,845,414</u>	<u>11,506,905</u>	<u>10,424,360</u>
2020 total	<u>102,434</u>	<u>131,000</u>	<u>10,190,926</u>	<u>10,424,360</u>	
Analysis of support costs					
Support staff costs	-	588,000	1,818,361	2,406,361	1,720,241
Depreciation	-	-	508,920	508,920	442,781
Technology costs	-	-	23,640	23,640	49,529
Premises costs	-	-	566,021	566,021	526,415
Legal costs	-	-	7,995	7,995	-
Other support costs	44,229	-	315,613	359,842	350,432
Governance costs	-	-	21,145	21,145	16,048
	<u>44,229</u>	<u>588,000</u>	<u>3,261,695</u>	<u>3,893,924</u>	<u>3,105,446</u>
Total support costs	<u>44,229</u>	<u>588,000</u>	<u>3,261,695</u>	<u>3,893,924</u>	<u>3,105,446</u>
2020 total	<u>73,087</u>	<u>131,000</u>	<u>2,901,359</u>	<u>3,105,446</u>	

8. Staff

a) Staff costs

Staff costs during the year were:	2020/21 £	2019/20 £
Wages and salaries	5,886,761	5,496,081
Social security costs	598,322	559,329
Pension costs	<u>1,787,133</u>	<u>1,481,216</u>
	8,272,216	7,536,626
Agency staff costs	256,678	77,113
Staff restructuring costs	<u>18,274</u>	<u>3,830</u>
	<u>8,547,168</u>	<u>7,617,569</u>
Staff restructuring costs comprise :		
Severance payments	<u>18,274</u>	<u>3,830</u>
	<u>18,274</u>	<u>3,830</u>

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

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £18,274 (2020 : £3,830).

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Notes to the financial statements for the year ended 31 August 2021 (continued)

8. Staff (continued)

c) Staff numbers

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

	2020/21 Number	2019/20 Number
Teachers	83	94
Administration and support	77	88
Management	13	17
	<u>173</u>	<u>199</u>

d) Higher paid staff

	2020/21 Number	2019/20 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	2	4
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £432,003 (2020 : £396,496)

9. Central services

Category	Basis
Central team services	Pupil numbers

The actual amounts charged during the year were as follows :

	2020/21 £	2019/20 £
Aston Manor Academy	555,256	-
Chilwell Croft Academy	185,085	-
	<u>740,341</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

During the year ended 31 August 2021, no trustees received any remuneration from an employment with the trust (2020: nil)

No travel and subsistence expenses were reimbursed or paid directly to trustees during the year ended 31 August 2021 nor in the year ended 31 August 2020.

11. Trustees' and officers' insurance

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

12. Intangible fixed assets

	Computer software £	Total £
Cost or valuation		
At 1 September 2020	5,345	5,345
At 31 August 2021	5,345	5,345
Amortisation		
At 1 September 2020	5,345	5,345
At 31 August 2021	5,345	5,345
Net book values		
At 31 August 2021	-	-
At 31 August 2020	-	-

Equitas Academies Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

13. Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2020	16,646,192	4,455,454	171,063	524,302	848,094	47,894	22,692,999
Additions	336,182	5,813	315,192	12,783	337,996	-	1,007,966
Reclassification	486,255	-	(486,255)	-	-	-	-
At 31 August 2021	<u>17,468,629</u>	<u>4,461,267</u>	<u>-</u>	<u>537,085</u>	<u>1,186,090</u>	<u>47,894</u>	<u>23,700,965</u>
Depreciation							
At 1 September 2020	6,091,206	526,161	-	402,015	744,259	27,094	7,790,735
Charge for the year	818,872	133,593	-	52,795	90,084	5,200	1,100,544
At 31 August 2021	<u>6,910,078</u>	<u>659,754</u>	<u>-</u>	<u>454,810</u>	<u>834,343</u>	<u>32,294</u>	<u>8,891,279</u>
Net book values							
At 31 August 2021	<u>10,558,551</u>	<u>3,801,513</u>	<u>-</u>	<u>82,275</u>	<u>351,747</u>	<u>15,600</u>	<u>14,809,686</u>
At 31 August 2020	<u>10,554,986</u>	<u>3,929,293</u>	<u>171,063</u>	<u>122,287</u>	<u>103,835</u>	<u>20,800</u>	<u>14,902,264</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Debtors

	2021 £	2020 £
Debtors from operations	362	6,175
VAT recoverable	104,412	58,681
Prepayments and accrued income	526,287	550,546
Other debtors	655	14,456
	<u>631,716</u>	<u>629,858</u>

15. Creditors

	2021 £	2020 £
(a) Amounts falling due within one year :		
Creditors from operations	96,409	27,516
Accruals and deferred income	400,758	37,891
Other creditors	715,011	606,357
	<u>1,212,178</u>	<u>671,764</u>
Deferred income		
Deferred income at 1 September 2020	26,884	26,190
Resources deferred in the year	43,904	26,884
Amounts released from previous years	(26,884)	(26,190)
Deferred income at 31 August 2021	<u>43,904</u>	<u>26,884</u>

At the balance sheet date the multi academy trust was holding funds received in advance for UIFSM, ESFA rates relief and unspent sports premium income.

Included within other creditors due within one year is a loan of £4,748 (2020: £4,748) from the ESFA. Details in regards to repayment terms and interest payable are detailed in creditors due after more than one year.

(b) Amounts falling due after more than one year :

Other creditors	<u>2,370</u>	<u>7,118</u>
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Other creditors due after more than one year represents a Salix loan from the ESFA of £2,370 (2020: £7,118). The loan is repayable in six monthly instalments. There is no interest to pay.

Equitas Academies Trust
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Notes to the financial statements for the year ended 31 August 2021 (continued)

16. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,318,329	8,286,467	(8,019,191)	(393,692)	1,191,913
UIFSM	-	28,454	(28,454)	-	-
Pupil premium	-	854,726	(854,726)	-	-
Catch-up premium	-	92,400	(92,400)	-	-
Other DfE/ESFA Covid-19 funding	-	40,873	(40,873)	-	-
Teaching school	-	36,000	(34,750)	-	1,250
Other grants	-	674,476	(674,476)	-	-
	<u>1,318,329</u>	<u>10,013,396</u>	<u>(9,744,870)</u>	<u>(393,692)</u>	<u>1,193,163</u>
Restricted fixed asset funds					
Transfer on conversion	11,797,745	-	(798,007)	-	10,999,738
DfE Group capital grants	2,321,731	227,855	(181,180)	-	2,368,406
Capital expenditure from GAG	885,621	-	(100,434)	393,692	1,178,879
Other capital grant	-	100,000	(4,791)	-	95,209
Donations	-	195,750	(16,132)	-	179,618
	<u>15,005,097</u>	<u>523,605</u>	<u>(1,100,544)</u>	<u>393,692</u>	<u>14,821,850</u>
Pension reserve	<u>(5,224,000)</u>	<u>-</u>	<u>(588,000)</u>	<u>(554,000)</u>	<u>(6,366,000)</u>
Total restricted funds	<u>11,099,426</u>	<u>10,537,001</u>	<u>(11,433,414)</u>	<u>(554,000)</u>	<u>9,649,013</u>
Unrestricted funds					
Other income	924,082	73,491	(73,491)	-	924,082
Total unrestricted funds	<u>924,082</u>	<u>73,491</u>	<u>(73,491)</u>	<u>-</u>	<u>924,082</u>
Total funds	<u>12,023,508</u>	<u>10,610,492</u>	<u>(11,506,905)</u>	<u>(554,000)</u>	<u>10,573,095</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and local authorities.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by the ESFA and local authorities where the asset acquired or created is held for a specific purpose.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

16. Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	1,341,607	7,991,530	(7,795,034)	(219,774)	1,318,329
UIFSM	-	32,995	(32,995)	-	-
Pupil premium	-	842,396	(842,396)	-	-
Other DfE/ESFA Covid-19 funding	-	19,233	(19,233)	-	-
Teaching school	-	6,030	(6,030)	-	-
Other grants	16,494	399,659	(416,153)	-	-
	<u>1,358,101</u>	<u>9,291,843</u>	<u>(9,111,841)</u>	<u>(219,774)</u>	<u>1,318,329</u>
Restricted fixed asset funds					
Transfer on conversion	12,595,753	-	(798,008)	-	11,797,745
DfE Group capital grants	2,206,731	303,643	(188,643)	-	2,321,731
Capital expenditure from GAG	758,281	-	(92,434)	219,774	885,621
Donations	-	-	-	-	-
	<u>15,560,765</u>	<u>303,643</u>	<u>(1,079,085)</u>	<u>219,774</u>	<u>15,005,097</u>
Pension reserve	<u>(4,045,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>(1,048,000)</u>	<u>(5,224,000)</u>
Total restricted funds	<u>12,873,866</u>	<u>9,595,486</u>	<u>(10,321,926)</u>	<u>(1,048,000)</u>	<u>11,099,426</u>
Unrestricted funds					
Other income	908,656	117,860	(102,434)	-	924,082
Total unrestricted funds	<u>908,656</u>	<u>117,860</u>	<u>(102,434)</u>	<u>-</u>	<u>924,082</u>
Total funds	<u>13,782,522</u>	<u>9,713,346</u>	<u>(10,424,360)</u>	<u>(1,048,000)</u>	<u>12,023,508</u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows :

	2020/21 Total £	2019/20 Total £
Aston Manor Academy	1,124,191	1,457,243
Chilwell Croft Academy	1,058,041	785,168
Trust	(64,987)	-
Total before fixed assets and pension reserve	<u>2,117,245</u>	<u>2,242,411</u>
Restricted fixed asset fund	14,821,850	15,005,097
Pension reserve	(6,366,000)	(5,224,000)
Total funds	<u>10,573,095</u>	<u>12,023,508</u>

The central trust is carrying a net deficit of £64,987 on funds before fixed assets and pension reserve due to additional expenditure on condition surveys, training, IT expenditure and agency staffing costs.

The trust is taking the following action to return these funds to surplus : a balanced budget has been set, which will be monitored and no additional expenditure is to be approved.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

16. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2020/21 Total £
Aston Manor Academy	4,588,693	1,265,461	142,948	1,136,842	7,133,944
Chilwell Croft Academy	1,428,846	600,837	64,353	370,544	2,464,580
Trust	123,268	540,063	12,853	131,653	807,837
Academy trust	6,140,807	2,406,361	220,154	1,639,039	10,406,361
2020 total	5,897,328	1,720,241	268,063	1,459,643	9,345,275

17. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	14,809,686	14,809,686
Current assets	924,082	-	2,407,711	12,164	3,343,957
Current liabilities	-	-	(1,212,178)	-	(1,212,178)
	924,082	-	1,195,533	14,821,850	16,941,465
Creditors due after one year	-	-	(2,370)	-	(2,370)
Pension scheme liability	-	(6,366,000)	-	-	(6,366,000)
Total net assets	924,082	(6,366,000)	1,193,163	14,821,850	10,573,095

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	14,902,264	14,902,264
Current assets	924,082	-	1,997,211	102,833	3,024,126
Current liabilities	-	-	(671,764)	-	(671,764)
	924,082	-	1,325,447	15,005,097	17,254,626
Creditors due after one year	-	-	(7,118)	-	(7,118)
Pension scheme liability	-	(5,224,000)	-	-	(5,224,000)
Total net assets	924,082	(5,224,000)	1,318,329	15,005,097	12,023,508

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Notes to the financial statements for the year ended 31 August 2021 (continued)

18. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in the financial statements	12,000	126,000

19. Commitments under operating leases

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

	Other	
	Total	Total
	2021	2020
	£	£
Amounts due within one year	18,775	27,679
Amounts due between one and five years	-	18,775
	18,775	46,454

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020/21	2019/20
	Total	Total
	£	£
Net expenditure for reporting year (as per the SoFA)	(896,413)	(711,014)
Adjusted for :		
Depreciation (note 13)	1,100,544	1,079,085
Capital grants from DfE and other capital income	(327,855)	(303,643)
Donated fixed asset	(195,750)	-
Interest receivable (note 5)	(1,509)	(7,661)
Defined benefit pension scheme cost less contributions payable (note 25)	507,000	61,000
Defined benefit pension scheme finance cost (note 25)	81,000	70,000
(Increase) / decrease in debtors	(1,858)	(328,441)
Increase in creditors	540,414	619,212
Net cash provided by operating activities	805,573	478,538

21. Cash flows from investing activities

	2020/21	2019/20
	Total	Total
	£	£
Interest received	1,509	7,661
Purchase of tangible fixed assets	(812,216)	(445,371)
Capital grants from DfE Group	327,855	303,643
Net cash used in investing activities	(482,852)	(134,067)

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Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Cash flows from financing activities

	2020/21 Total £	2019/20 Total £
Loan repayments in period	(4,748)	(4,747)
Net cash provided by / (used in) financing activities	(4,748)	(4,747)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,712,241	2,394,268
	2,712,241	2,394,268

24. Members' liability

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

25. Pension and similar obligations

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

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

There were prepaid contributions of £138,388 (2020: £208,533) at the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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Notes to the financial statements for the year ended 31 August 2021 (continued)

25. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £845,981 (2020 : £821,287).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £471,000 (2020 : £514,169), of which employer's contributions totalled £352,000 (2020 : £413,761) and employees' contributions totalled £119,000 (2020 : £100,408). The agreed contribution rates for future years are 21.1% for employers and between 5.5% and 10.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 27 years.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.25%
Rate of increase for pensions in payment / inflation	2.90%	2.25%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.25%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	13,410	13,070	13,719	13,991
Projected service cost	1,022	989	1,056	1,070
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	13,410	13,759	13,109	12,853
Projected service cost	1,022	1,057	989	976

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

The academy trust's share of the assets in the scheme was :

	31 August 2021	31 August 2020
	£	£
Equities	4,290,000	3,194,000
Government bonds	582,000	617,000
Other bonds	431,000	221,000
Property	495,000	429,000
Cash/liquidity	260,000	377,000
Other	986,000	848,000
Total market value of assets	7,044,000	5,686,000

The actual return on scheme assets was £1,033,000 (2020 : £426,000).

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Notes to the financial statements for the year ended 31 August 2021 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2020/21	2019/20
	£	£
Amount recognised in the statement of financial activities		
Current service cost	859,000	577,000
Net interest cost	81,000	70,000
Administration expenses	-	3,000
Total amount recognised in the SOFA	940,000	650,000
Changes in the present value of defined benefit obligations were as follows :		
	2020/21	2019/20
	£	£
At 1 September 2020	10,910,000	8,268,000
Current service cost	859,000	577,000
Interest cost	174,000	153,000
Employee contributions	119,000	94,000
Actuarial gains/(losses) - financial assumptions	1,841,000	672,000
Actuarial gains/(losses) - demographic assumptions	(164,000)	274,000
Actuarial gains/(losses) - experience gains/losses	(183,000)	989,000
Benefits paid	(146,000)	(117,000)
At 31 August 2021	13,410,000	10,910,000
Changes in the fair value of academy's share of scheme assets were as follows :		
	2020/21	2019/20
	£	£
At 1 September 2020	5,686,000	4,223,000
Interest income	93,000	83,000
Actuarial gain/(loss)	-	544,000
Employer contributions	352,000	519,000
Employee contributions	119,000	94,000
Benefits paid net of transfers in	(146,000)	(117,000)
Administration costs	-	(3,000)
Return on assets less interest	940,000	343,000
At 31 August 2021	7,044,000	5,686,000
Net pension scheme liability	(6,366,000)	(5,224,000)

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Notes to the financial statements for the year ended 31 August 2021 (continued)

26. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

Titan Partnership

A Lofthouse (resigned as trustee on 18/06/20) is a director of Titan Partnership

	2021 £	2020 £
Services charged by related company during the period	-	12,130

27. Teaching school trading account

	2020/21 £	2019/20 £
Income		
Direct income		
Other income	36,000	6,030
Total income	<u>36,000</u>	<u>6,030</u>
Expenditure		
Direct costs		
Direct staff costs	23,000	6,030
Other direct costs	<u>11,750</u>	-
	34,750	6,030
Total expenditure	<u>34,750</u>	<u>6,030</u>
Transfers between funds excluding depreciation	-	-
Surplus from all sources	<u>1,250</u>	-
Teaching school balances at 1 September 2020	-	-
Teaching school balances at 31 August 2021	<u>1,250</u>	-