

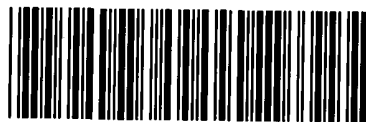
Company Registration Number: 10363519 (England and Wales)

UNITY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

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UNITY ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Governors' report	2 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Statement of Governors' responsibilities	13
Independent auditors' report on the financial statements	14 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities incorporating income and expenditure account	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 41

UNITY ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Members

Dr S J Smith
Ms E Dawes
Mr P Davis
Ms J Leadbetter
Ms C Watkins

Governors

Ms E Johnson, Chair (appointed 7 September 2016, resigned 21 September 2017)
Dr S J Smith, Chair (appointed 21 September 2017)
Mr M M Mackenzie, Vice Chair (appointed 19 October 2016, resigned 21 September 2017)
Mrs V J Marsh, Executive Head Teacher & Accounting Officer (appointed 7 September 2016)
Mr D H Mackglew (appointed 7 September 2016, resigned 21 September 2017)
Mr R J Browning (appointed 11 November 2016, resigned 21 September 2017)
Mr K F Palmer (appointed 19 October 2016)
Ms C Smiles, Staff Governor (appointed 11 November 2016, resigned 21 September 2017)
Mrs B Ojo (appointed 21 September 2017)
Mr S Doubleday (appointed 21 September 2017)
Ms E Johnson (appointed 21 September 2017)

Company registered number

10363519

Company name

Unity Academy Trust

Principal and registered office

Upland Primary School, Church Road, Bexleyheath, Kent, DA7 4DG

Senior management team

Mrs V Marsh, Executive Head Teacher
Mrs B McKenzie, Head Teacher
Ms C Smiles, Assistant Head Teacher
Mrs J Grant, Business Manager

Independent auditors

Bayar Hughes & Co Limited, 4 Green Lane Business Park, 238 Green Lane, New Eltham, London, SE9 3TL

Bankers

Lloyds Bank PLC, PO Box 1000, Andover, BX1 1LT

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 7 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Unity Academy Trust provides primary education for children between the ages of 3 and 11 years, in Bexleyheath, Kent. It currently has one site known as Uplands Primary School, operating at in excess of 95% student role intake.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Unity Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Unity Academy Trust.

Details of the Governors who served during the period are included in the Reference and Administrative Details on page 1.

The academy was incorporated on 7 September 2016 and commenced trading on 1st October 2016.

b. Members' liability

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

c. Governors' indemnities

The Governors are indemnified in respect of their duties on behalf of Unity Academy Trust to the extent that they are covered within the specific provisions contained within the ESFA Risk Protection Arrangement.

d. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Articles of association stipulate that the number of Governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be more than twelve.

Subject to section 48 and 49 of the articles the Academy shall have the following Governors:-

1. Up to 10 Governors, appointed under Article 50
2. A minimum of two Parent Governors appointed under Articles 53-58
3. The Head Teacher

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

The Academy may also have any Co-opted Governor appointed under Article 59. The Local Governing Board may appoint Staff Governors through such process as they may determine. The total number of Governors (including the Head Teacher) who are employees of the Academy shall not exceed one third of the total Governors.

The term of office for any Governor shall be four years. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

e. Policies and procedures adopted for the induction and training of Governors

Following their appointment/election all new Governors receive an introduction to their role from the Executive Headteacher; this introduction includes a tour of the school and the opportunity to meet the School's Leadership Team.

The Governing Body is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively. To this end regular training is offered to the Governing Body through a maintained service level agreement with Bexley Council's Governor Service Department. This agreement allows for any or all members of the Governing Body to attend any of the training courses provided by Bexley Council. All new Governors are actively encouraged to take advantage of this agreement so as to gain a better understanding of the role and responsibilities of being a school Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training. Governors are also invited to in school training relating to matters linked to the School's development Plan.

f. Organisational structure

The management structure of the Upland Primary School consists of the following

1. The Governing Board
2. The Strategic Leadership Team
3. The Operational Leadership Team

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governing Body is responsible for setting general policy, adopting an annual plan and budget, monitoring the school by reviewing the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments. The Executive Head is the Accounting Officer.

The Strategic Leadership Team consists of the Executive Head, Head Teacher, Assistant Headteacher and Business Manager. These leaders control the Academy at executive level implementing the policies laid down by the Governors, regularly reporting back to them. The Executive Head is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, although the appointment of senior leader posts is referred to Governors.

Operational Leadership Team members are responsible for learning areas within the curriculum, in particular organising and reviewing the essential knowledge, understanding and skills that primary age children need in order to make progress and fulfil their potential.

g. Pay policy for key management personnel

The Pay Policy is reviewed annually by school governors taking into account advice provided by the school's HR advisor. The governors meet annually at the beginning of the autumn term to make decisions on all members of

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

staff who are entitled to be considered for discretionary pay awards. The governors meet in the absence of the Executive Head Teacher and make final recommendations on her pay following the completion of the Executive Head Teacher's performance review.

h. Connected organisations, including related party relationships

Unity Academy Trust is not part of a wider network or soft federation.

Objectives and Activities

a. Objects and aims

Upland Primary School is a mixed school providing education for children between 3 and 11. The underlying objective of the school is to provide children with the opportunities to develop academically, physically and creatively into well rounded individuals, possessing the relevant skills and confidence to enter the next stage of their educational development, all within a safe and caring environment.

The school's inclusive ethos ensures all children have the opportunity to develop in a caring and supportive learning environment.

b. Objectives, strategies and activities

The school has developed robust systems of management and controls, with a Governing Body and Strategic Leadership Team committed to ensuring that the school achieves its aims and objectives.

School leaders operate an open-door policy, encouraging communication with parents and members of the local community to ensure any issues are identified and resolved promptly and effectively.

c. Public benefit

In exercising their duties, the Governors have given consideration to and complied with the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

In addition to the commitment to achieving the primary objectives of the school, the Governors have agreed for the following public benefit support to be provided by the Academy:-

- To develop our programme of co-operation and joint working with Gravel Hill Primary School and our cluster schools
- To play our part in the life of our local community through our links with local community groups such as the Church. Also be allowing our school to be used by local groups out of school hours.
- To continue to develop the excellent pastoral care we provide for our pupils.

Strategic report

Achievements and performance

a. Key performance indicators

The school has functioned within the General Annual Grant allocated for the period to 31st August 2017. The examination result detail included within 'Review of Activities' highlight the school's success.

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

As can be seen from Roll numbers as at July 2017 the school remains popular within the local community with enrolment levels being in excess of 95% capacity as detailed below.

Year Group	Boys	Girls	Total
Nursery	23	23	46
Reception	37	42	79
Year 1	29	29	58
Year 2	30	29	59
Year 3	35	34	69
Year 4	36	24	60
Year 5	29	31	60
Year 6	29	30	59
All	248	242	490

b. Going concern

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

c. Review of activities

End of Key Stage Results 2017

EYFS

71% of pupils achieved a good level of development

Year 1 Phonics screening check 2017

96.7% Pupils achieved the expected standard (National 81%)

Year 2 Phonics screening check 2017

94% Pupils achieved the expected standard (National 92%)

End of Key Stage 1 Assessment Results 2017

Reading - 81% (National 76%)

Writing - 77% (National 68%)

Maths - 78% (National 75%)

End of Key Stage 2 Assessment Results 2017

76% x in R, W and M combined (National 61%)

-0.1 progress in reading (National -1.7-1.5)

-2.3 progress in writing (National -3.9-0.7)

-1.0 progress in maths (National -2.4 to 0.4)

KS2 Reading - 86.4% (National 71%)

KS2 Writing - 83% (National 76%)

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

12% (National 18%) GDS

KS2 EPGS

88% (National 77%)

37% (National 31%) Higher standard

KS2 Maths

85% (National 75%)

29% (National 23%) Higher standard

Attendance for 2016/17 was 96.3%

100% of teaching was judged to be at least 'Good'

Financial review

a. Reserves policy

The Academy believes that the funding received in any academic year should be used to support the children on roll at the time unless there is a specific project which will require the accumulation of funding over more than one year.

The Governors review the level of reserves throughout the year and endeavour to ensure that, although these funds may fluctuate depending on operational needs, sufficient working capital is available to cover any unexpected emergencies.

The Governors also take into consideration the balance on restricted funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017. These are stated under note d below.

b. Investments policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

The Academy will invest surplus cash funds to optimise returns, along with ensuring the investment instruments are such that there is no risk of the loss of these cash funds.

c. Principal risks and uncertainties

The Governors have assessed the major risks and has compiled a risk register to highlight the risks which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

d. Financial review

We receive our income from a number of different sources. The majority of our income comes from central

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

government via the Education and Skills Funding Agency who provide us with a grant, based largely on our student numbers to cover our staffing and other general running costs. The ESFA may also provide us with additional grants which are earmarked for specific purposes, such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils. These appear in the financial statements as DfE/ESFA grants. Such income is collectively referred to as Restricted Funds. Other income is received from parents, as contributions for trips or other costs, or from third parties such as banks for interest on our account balances, or from other who are charged for the use of our facilities. Such other income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the governors.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub categorised between those which are available for spending at the discretion of the governors (Unrestricted Funds) and those which are subject to condition or restriction, (Restricted Funds). Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in the financial statements, and as this is not a conventional liability, it does not need to be deducted from spendable funds.

As of 31 August 2017 the Academy held £7,528 of restricted funds (excluding pension and fixed assets), and £138,490 of general unrestricted funds. The Academy's share of the LGPS pension scheme deficit at 31 August 2017 is £729,000 (calculated by actuaries in accordance with FRS102). The Fixed Asset fund of £8,993,171 is not available for spending as it represents the net book value of fixed assets transferred from the predecessor school and subsequent additions and disposals thereto. Future depreciation will be charged against this fund.

e. Principal funding

The academy is reliant on continued government funding through the ESFA and the Local Authority.

Plans for future periods

a. Future developments

Gravel Hill Primary School will be joining Upland as part of Unity Academy Trust forming a strong collaborative working partnership. This partnership will involve lots of cross school work opportunities in order to enhance the provision for all pupils at both schools. The schools will be working with each other on a number of projects relating to pupil outcomes as well as providing continuous opportunities to enhance staff development skills.

Leaders from both schools will be working in close collaboration on strategic development plans.

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure that its pupils are ready for the next stage of their education.

The school knows its strengths and weaknesses based on continual self-assessment. External validation, through work with Florence Oligide of Inspired Future, is used to formulate future developments. The School Development Plan is succinct and well-focussed on key, strategic developmental areas. Curriculum areas assess their outcomes and plan developments accordingly.

Areas for development are challenged and supported so improvements are made. Colleagues that require support to improve their practice are challenged and supported appropriately. Intervention strategies for pupils are thorough, time related and assessed for impact.

Funds held as custodian

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

No funds are held as custodian trustees on behalf of others by the Academy.

Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 6 December 2017 and signed on its behalf by:



Dr S J Smith
Chair of Governors

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of governors has formally met 9 times during the period. Attendance during the period at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Ms E Johnson, Chair	8	9
Mr M M Mackenzie, Vice Chair	6	9
Mrs V J Marsh, Executive Head Teacher & Accounting Officer	7	9
Mr D H Mackglew	8	9
Mr R J Browning	8	9
Mr K F Palmer	7	9
Ms C Smiles, Staff Governor	3	3
Ms E Johnson	0	0

Review of Value for Money

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

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

Office Restructure:

A restructure of the admin/office staff during 2017 has resulted in improved efficiency, higher professional standards and a greater level of admin support being provided to teachers. The restructure process started with an in-depth review of roles and a feasibility study, then a statutory consultation period, and finally the appointment of a new office manager and the redundancy of two receptionists. In addition to the outcomes already summarised, the new structure also resulted in a small saving on staffing costs due to the reduction from 4.0FTE to 3.5FTE.

Replacement of projectors and whiteboards with Clevertouch screens:

Technical issues had been causing difficulties for teachers and some projector bulbs had needed replacing repeatedly, causing ongoing costs. Lessons were disrupted and in some cases children were unable to use the old boards as they no longer worked interactively and picture quality was extremely poor in many cases. A few classrooms already had Clevertouch screens installed in place of the whiteboards and projectors, so we were

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

aware of their educational potential and their high-resolution screens which make it much easier for the children to view. An ATS representative ran a training session to show staff the full functionality of the boards, and SLT decided to continue with an ongoing programme of replacement. We still have some of the better (newer) projectors and whiteboards, but by November 2017 we will have Clevertouch screens in 11 of our 17 classes. The replacement programme is likely to continue into 2018-19.

Solar panels:

When the new school was built in 2005, solar panels were installed across most of the roof as a renewable energy source and to reduce energy costs. Unfortunately, these had not been maintained and eventually stopped working. An inspection of the panels late in 2016 revealed that repair would be relatively straightforward so in January 2017 we spent £2,100 to install new inverters. We are delighted that in the first seven months of use (Jan to Aug '17) they have generated 9688kw of energy which has saved us approximately £900 in energy costs. This means that within 2 - 2½ years we will have recouped the cost of the repair and will continue to make savings.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Academy Trust for the period 7 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 7 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

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

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

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Education Financial Services, an external consultant, to perform additional checks.

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- testing of payroll systems
- testing of income and purchase systems
- testing of control accounts and bank reconciliations.

On a termly basis, the consultant report to the board of governors through the audit committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

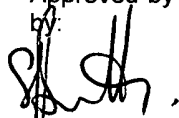
Review of Effectiveness

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

- the work of the external consultant;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of governors on 6 December 2017 and signed on their behalf,
by:



Dr S J Smith
Chair of Governors



**Mrs V J Marsh, Executive Head Teacher &
Accounting Officer**

UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Unity Academy Trust I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 governors and ESFA.



Mrs V J Marsh
Accounting Officer

UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

The Governors (who act as governors of Unity Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 governors on 6 December 2017 and signed on its behalf by:



Dr S J Smith
Chair of Governors

UNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY
ACADEMY TRUST**

Opinion

We have audited the financial statements of Unity Academy Trust for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information

UNITY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY ACADEMY TRUST

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY
ACADEMY TRUST**

Auditor's responsibilities for the audit of the financial statements

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

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



Bayar Chakarto (Senior statutory auditor)

for and on behalf of

Bayar Hughes & Co Limited

Chartered Certified Accountants

4 Green Lane Business Park

238 Green Lane

New Eltham

London

SE9 3TL

6 December 2017

UNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Academy Trust during the period 7 September 2016 to 31 August 2017 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 Unity Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Unity Academy Trust and the 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 Unity Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Unity Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Unity Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 period 7 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

UNITY ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY
ACADEMY 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 period 7 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Bayar Hughes & Co Limited

Chartered Certified Accountants

4 Green Lane Business Park
238 Green Lane
New Eltham
London
SE9 3TL

6 December 2017

UNITY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Income from:					
Donations and capital grants	2	204,434	-	9,063,371	9,267,805
Charitable activities	3	-	1,812,865	-	1,812,865
Other trading activities	4	85,235	8,644	-	93,879
Investments	5	-	129	-	129
Total income		289,669	1,821,638	9,063,371	11,174,678
Expenditure on:					
Charitable activities		116,765	2,587,110	104,614	2,808,489
Total expenditure	6	116,765	2,587,110	104,614	2,808,489
Net income / (expenditure) before transfers		172,904	(765,472)	8,958,757	8,366,189
Transfers between Funds	16	(34,414)	-	34,414	-
Net income / (expenditure) before other recognised gains and losses		138,490	(765,472)	8,993,171	8,366,189
Actuarial gains on defined benefit pension schemes	21	-	44,000	-	44,000
Net movement in funds		138,490	(721,472)	8,993,171	8,410,189
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		138,490	(721,472)	8,993,171	8,410,189

All of the academy's activities derive from acquisitions in the current financial period.

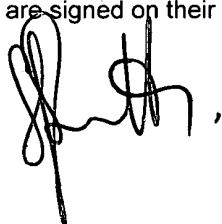
UNITY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10363519

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
Fixed assets			
Tangible assets	13		8,993,171
Current assets			
Debtors	14	55,754	
Cash at bank and in hand		321,098	
		<u>376,852</u>	
Creditors: amounts falling due within one year	15	<u>(230,834)</u>	
Net current assets			<u>146,018</u>
Total assets less current liabilities			<u>9,139,189</u>
Defined benefit pension scheme liability	21		<u>(729,000)</u>
Net assets including pension scheme liabilities			<u><u>8,410,189</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	16	7,528	
Restricted fixed asset funds	16	8,993,171	
		<u>9,000,699</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(729,000)</u>	
Total restricted income funds			8,271,699
Unrestricted income funds	16		138,490
Total funds			<u><u>8,410,189</u></u>

The financial statements on pages 19 to 41 were approved by the Governors, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:

Dr S J Smith
Chair of Governors



UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	18	355,384
Cash flows from investing activities:		
Dividends, interest and rents from investments		129
Purchase of tangible fixed assets		(34,415)
Net cash used in investing activities		(34,286)
Change in cash and cash equivalents in the period		321,098
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	19	321,098

All of the cash flows are derived from acquisitions in the current financial period.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Unity Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	2% Straight line
Plant and machinery	-	25% reducing balance
Computer equipment	-	33% Straight line

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 incorporating income and expenditure account.

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

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

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

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. Accounting policies (continued)

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. Accounting policies (continued)

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Upland Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Donations	204,434	-	9,063,371	9,267,805

3. Funding for Academy's educational operations

Unity Academy Trust

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
ESFA Income	-	1,608,619	1,608,619
Local Authority Income	-	195,147	195,147
ESFA Capital Income	-	9,099	9,099
	-	1,812,865	1,812,865

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Catering Income	31,990	-	31,990
School Fund	22,781	-	22,781
Lettings Income	8,535	-	8,535
Other Income	21,929	6,844	28,773
Insurance Claims	-	1,800	1,800
	85,235	8,644	93,879

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Investment income	-	129	129

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Educational operations:				
Direct costs	1,251,507	-	86,281	1,337,788
Support costs	258,053	100,068	1,112,580	1,470,701
	<u>1,509,560</u>	<u>100,068</u>	<u>1,198,861</u>	<u>2,808,489</u>

7. Analysis of expenditure by activities

	Educational operations 2017 £	Support costs 2017 £	Total 2017 £
Educational operations	<u>1,337,788</u>	<u>1,470,701</u>	<u>2,808,489</u>

Analysis of support costs

	Educational operations £	Total 2017 £
Staff costs	258,053	258,053
Depreciation	104,614	104,614
Premises costs	100,068	100,068
Technology costs	29,845	29,845
Other support costs	974,121	974,121
Governance costs	4,000	4,000
	<u>1,470,701</u>	<u>1,470,701</u>

8. Net income/(expenditure)

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets:	
- owned by the charity	104,614
Operating leases	<u>2,944</u>

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

9. Auditors' remuneration

	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	4,000
	2017 £
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of: The auditing of accounts of the scheme(s)	500

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

10. Staff costs

Staff costs were as follows:

	2017 £
Wages and salaries	1,141,526
Social security costs	100,065
Operating costs of defined benefit pension schemes	223,182
	<u>1,464,773</u>
Supply teacher costs	20,662
Staff restructuring costs	24,125
	<u><u>1,509,560</u></u>

Staff restructuring costs comprise:

	2017 £
Redundancy payments	14,125
Severance payments	10,000
	<u>24,125</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,125. Individually these amounts were: £10,000, £5,512 and £8,613.

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

	2017 No.
Teachers	30
Support	49
Management	4
	<u>83</u>

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

	2017 No.
In the band £60,001 - £70,000	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2017 employer contributions made on their behalf amounted to £12,103.

The key management personnel of the academy trust comprise of the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

10. Staff costs (continued)

£201,440.

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2017 £
Mrs V J Marsh, Head Teacher & Accounting Officer	Remuneration	65,000-70,000
	Pension contributions paid	10,000-15,000
Ms C Smiles, Staff Governor	Remuneration	25,000-30,000
	Pension contributions paid	0-5,000

During the period ended 31 August 2017, no Governors received any reimbursement of expenses.

12. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance, as provided by the ESFA Risk Protection Arrangement, provides unlimited cover on any one claim. The cost is included in the total insurance cost.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
Additions	9,063,370	2,515	31,900	9,097,785
At 31 August 2017	9,063,370	2,515	31,900	9,097,785
Depreciation				
Charge for the period	94,291	576	9,747	104,614
At 31 August 2017	94,291	576	9,747	104,614
Net book value				
At 31 August 2017	8,969,079	1,939	22,153	8,993,171

Included in land and buildings is freehold land at valuation of £3,920,213 which is not depreciated. The Academy procured a valuation of the property, which was transferred from the London Borough of Bexley upon conversion. This valuation in July 2017 was carried out by DVS Property Specialists who are regulated by the Royal Institute of Chartered Surveyors. (see note 20 for further details). The Leasehold land & buildings have been acquired for a period of 125 years commencing from 1 September 2016.

14. Debtors

	2017 £
Trade debtors	32,013
Other debtors	2,345
Prepayments and accrued income	21,396
	<u>55,754</u>

15. Creditors: Amounts falling due within one year

	2017 £
Other taxation and social security	26,031
Other creditors	24,892
Accruals and deferred income	179,911
	<u>230,834</u>

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

15. Creditors: Amounts falling due within one year (continued)

	£
Deferred income	
Resources deferred during the year	55,938
	<hr/>
Income deferred at year end relates to Free School Meals of £42,358, ESFA Rates Relief £9,092 and school trips of £4,488.	

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

16. Statement of funds

	Balance at 7 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	-	289,669	(116,765)	(34,414)	-	138,490
Restricted funds						
General Annual Grant (GAG)	-	1,472,260	(1,464,732)	-	-	7,528
Other ESFA Grants	-	136,359	(136,359)	-	-	-
ESFA Capital Grant	-	9,099	(9,099)	-	-	-
Local Authority Grants	-	195,147	(195,147)	-	-	-
Investment Income	-	129	(129)	-	-	-
Other Income	-	8,644	(8,644)	-	-	-
Pension reserve	-	-	(773,000)	-	44,000	(729,000)
	-	1,821,638	(2,587,110)	-	44,000	(721,472)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	-	9,063,371	(104,614)	34,414	-	8,993,171
Total restricted funds	-	10,885,009	(2,691,724)	34,414	44,000	8,271,699
Total of funds	-	11,174,678	(2,808,489)	-	44,000	8,410,189

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The Pension Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £8,993,171. When fixed assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at the year end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

17. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	(115)	-	8,993,286	8,993,171
Current assets	369,324	7,528	-	376,852
Creditors due within one year	(230,834)	-	-	(230,834)
Provisions for liabilities and charges	-	(729,000)	-	(729,000)
	<u>138,490</u>	<u>(721,472)</u>	<u>8,993,171</u>	<u>8,410,189</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £
Net income for the year (as per Statement of Financial Activities)	8,366,189
Adjustment for:	
Depreciation charges	104,614
Losses on investments	(129)
Increase in debtors	(55,754)
Increase in creditors	230,834
Defined benefit pension scheme cost less contributions payable	68,000
Net (loss) on assets and liabilities from local authority on conversion	(8,358,370)
Net cash provided by operating activities	<u><u>355,384</u></u>

19. Analysis of cash and cash equivalents

	2017 £
Cash in hand	321,098
Total	<u><u>321,098</u></u>

20. Conversion to an academy trust

On 1 October 2016 Upland Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Unity Academy Trust from London Borough of Bexley for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

20. Conversion to an academy trust (continued)

analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other assets	196,574	-	9,063,370	9,259,944
LGPS pension surplus/(deficit)	-	(705,000)	-	(705,000)
Other identified assets and liabilities	(139)	-	-	(139)
Net assets/(liabilities)	<u>196,435</u>	<u>(705,000)</u>	<u>9,063,370</u>	<u>8,554,805</u>

21. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bexley. Both are Multi-employer defined benefit pension schemes.

As described in note 20 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £56,865 were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

21. Pension commitments (continued)

in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £119,542.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £90,930., of which employer's contributions totalled £71,225. and employees' contributions totalled £19,705.. The agreed contribution rates for future years are 20.9% for employers and 5.7% 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.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

21. Pension commitments (continued)

London Borough of Bexley Pension Fund

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.40 %
Rate of increase in salaries	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %
Inflation assumption (CPI)	2.20 %

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

	2017
Retiring today	
Males	23
Females	26
Retiring in 20 years	
Males	25.2
Females	28.3

	At 31 August 2017 £
Sensitivity analysis	
Discount rate +0.1%	700,000
Mortality assumption - 1 year increase	755,000
CPI rate +0.1%	758,000

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

	Fair value at 31 August 2017 £
Equities	457,000
Other bonds	66,000
Property	81,000
Cash and other liquid assets	5,000
Other	151,000
Total market value of assets	760,000

The actual return on scheme assets was £81,000.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

21. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £
Current service cost	121,000
Interest income	14,000
Interest cost	(29,000)
Total	<u>106,000</u>
Actual return on scheme assets	<u>81,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £
Upon conversion	1,297,000
Current service cost	121,000
Interest cost	29,000
Employee contributions	20,000
Actuarial losses	22,000
Closing defined benefit obligation	<u>1,489,000</u>

Movements in the fair value of the academy's share of scheme assets:

	2017 £
Upon conversion	592,000
Interest income	14,000
Actuarial losses	66,000
Employee contributions	20,000
Employer contributions	71,000
Admin expenses	(3,000)
Closing fair value of scheme assets	<u>760,000</u>

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

22. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	3,926
Between 1 and 5 years	3,926
Total	<u>7,852</u>

23. 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.

24. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.