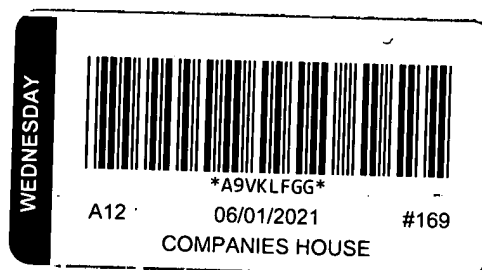


Company Registration Number: 10363519 (England & Wales)

UNITY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2020



UNITY/ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22 - 23
Balance sheet	24 - 25
Statement of cash flows	26
Notes to the financial statements	27 - 53

<p style="text-align: center;">UNITY ACADEMY TRUST (A company limited by guarantee)</p>

REFERENCE AND ADMINISTRATIVE DETAILS

Members	<p>Dr S J Smith Ms E Dawes Mr P Davis Ms J Leadbetter Ms C Watkins</p> <p>Mrs B Ojo, Chair Mrs B R McKenzie, Interim Chief Executive (appointed 1 September 2020) Mrs S J Brooks, Chief Executive (appointed 1 November 2019, resigned 31 August 2020) Dr S J Smith (resigned 29 June 2020) Mr K Bradshaw Mr R Clifford Mr S Doubleday Mrs T Tanner Mrs V J Marsh (resigned 31 October 2019)</p>
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	<p>Mrs V Marsh (to 31/10/19), Executive Head Teacher Mrs B McKenzie, Head Teacher, Upland Primary Ms C Smiles, Deputy Head Teacher, Upland Primary Mrs J Grant, Business Manager Ms M Neale, Head Teacher, Gravel Hill Primary Mrs Z Mayston, Deputy Head Teacher, Gravel Hill Primary Mrs S Brooks (1/11/19 to 31/8/20), Interim CEO and Accounting Officer Mr M Bird (from 20/4/20), Deputy Head Teacher, Gravel Hill Primary Mrs H Milward, Deputy Head Teacher, Upland Primary</p>
Independent auditors	<p>Bayar Hughes & Co Limited Chartered Certified Accountants 4 Green Lane Business Park 238 Green Lane New Eltham London SE9 3TL</p>

UNITY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Bankers

Lloyds Bank PLC
PO Box 1000
Andover
BX1 1LT

UNITY ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' 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 two sites, known as Uplands Primary School and Gravel Hill 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.

The Trustees of Unity Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Unity Academy Trust.

Details of the Trustees who served during the period, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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. Trustees' indemnities

The Trustees 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

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

The Articles of Association stipulate that the number of Trustees 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 Trustees:-

1. Up to 11 Trustees, appointed under Article 50
2. The CEO

The Academy may also have any Co-opted Governor appointed under Article 58.

The total number of Trustees (including the CEO) who are employees of the Academy shall not exceed one third of the total Trustees.

The term of office for any Trustee shall be four years, after which time they may be reappointed or re-elected.

e. Policies adopted for the induction and training of Trustees

Following their appointment/election all new Trustees receive an introduction to their role from the CEO; this introduction includes a tour of the school and the opportunity to meet members of the Leadership Team.

The trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively. To this end training is offered to the governing body through a carefully planned programme of training based on identified needs. All new Governors/Trustees are actively encouraged to take advantage of the training so as to gain a better understanding of their role and responsibilities. Those with specific roles are strongly encouraged to undertake specific training.

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The Trusts' management structure consists of the following

1. The Trustees
2. The Trust Exec Team
3. The Governing Board for each school
4. The Strategic Leadership Team for each school
5. The Operational Leadership Team for each school

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. At school level, the Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by reviewing the use of budgets and making decisions about capital expenditure and senior staff appointments.

The CEO is the Accounting Officer for the Trust.

The Trust Exec Team consists of the CEO, Business Manager, Headteachers and Deputy Heads. These leaders control the Academy at executive level, implementing the policies laid down by the Trustees and Governors, regularly reporting back to them.

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. Arrangements for setting pay and remuneration of key management personnel

The Pay Policy is reviewed annually by school trustees taking into account advice provided by the school's HR advisor. The trustees meet annually at the beginning of the autumn term to make decisions on all members of staff who are entitled to be considered for discretionary pay awards. The trustees meet in the absence of the Executive Head Teacher and make final recommendations on their pay following the completion of the Executive Head Teacher's performance review.

UNITY ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
--	----------

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

The Academy do not employ any union officials but do have a service level agreement with the local authority who provide this service.

i. Related parties and other connected charities and organisations

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

Objectives and activities

a. Objects and aims

Upland Primary School and Gravel Hill Primary are mixed schools 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Both schools have 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

The Trustees have given consideration to 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 Trustees 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 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 by 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

Following the cancellation of the 2019/20 national curriculum assessments, the Department for Education (DfE) laid regulations to remove the requirement to report the outcomes of key stages 1 and 2 tests or teacher assessments.

a. Key performance indicators

The Trust's schools have functioned within the General Annual Grant allocated for the period to 31st August 2020.

As can be seen from Roll numbers as at July 2020 Unity Academy Trust schools remain popular within their local communities, with enrolment levels being around 97% capacity at Upland and 91.5% capacity at Gravel Hill as detailed below.

Gravel Hill (July 2020)				Upland (July 2020)			
Year	Males	Females	Total	Year	Males	Females	Total
N	5	9	14	N	20	18	38
R	26	29	55	R	36	24	60
1	28	21	49	1	33	27	60
2	26	30	56	2	42	47	89
3	26	32	58	3	27	31	58
4	30	28	58	4	29	31	60
5	28	32	60	5	42	47	89
6	20	38	58	6	36	25	61

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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 they continue 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.

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 Trustees' 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 Trustees also take into consideration the balance on restricted funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020. These are stated under note e below.

b. Investment 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.

c. Principal risks and uncertainties

The Trustees have assessed the major risks and 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 Trustees 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

d. Financial risk management objectives and policies

The Trustees regularly monitor reserves to ensure that the Academy has sufficient funds to meet all its obligations and that there are no disruptions to the education of the children. The Trustee Board 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 is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks, which has been in place during the period ending 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Implementation of the Finance Manual, Health and Safety Policy, Safer Recruitment Policy, Induction Policy, Safeguarding Policy significantly reduces the risks to which the Academy is exposed.

e. Financial review

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

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 2020 the Academy held £443,812 (2019:£314,147) of restricted funds (excluding pension and fixed assets), and £440,189 (2019:£408,470) of general unrestricted funds. This movement is due to the in year surplus of £161,384.

The Academy's share of the LGPS pension scheme deficit at 31 August 2020 is £1,539,000 (2019:£1,571,000) (calculated by actuaries in accordance with FRS102).

The Fixed Asset fund of £15,295,476 (2019:£14,950,194) is not available for spending as it represents the net book value of fixed assets. Future depreciation will be charged against this fund.

f. Principal funding

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

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Fundraising

The Academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the governors.

Streamlined energy and carbon reporting

As the Academy has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities

Plans for future periods

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 schools know their strengths and weaknesses based on continual self-assessment. External validation, through work with Florence Oligide of Inspired Futures, is used to formulate future developments. Both schools' Development Plans are succinct and well-focussed on key, strategic developmental areas. Curriculum areas assess their outcomes and plan developments accordingly. Leaders from both schools work in close collaboration on strategic development plans. 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 on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:



Mrs B Ojo
Chair of Trustees

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, 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.

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 Interim CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Unity Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the period.

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

Trustee	Meetings attended	Out of a possible
Mrs B Ojo, Chair	6	6
Mrs S J Brooks, Interim Chief Executive	6	6
Mr K Bradshaw	6	6
Mr R Clifford	6	6
Mr S Doubleday	6	6
Mrs T Tanner	6	6
Dr S J Smith	3	3
Ms B R McKenzie, Interim Chief Executive	0	0
Mrs V J Marsh	0	0

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Securing CIF funding for roof replacement works (Gravel Hill): a large section of the original roof on the old building was replaced at minimal cost to the school. This has removed the risk of damage from leaks, reduced heating costs and improved heat retention in this area of the building.

Investing in ICT equipment (both schools): both schools were able to invest heavily in new Chromebooks and other IT hardware for use in class and to support pupils with home learning.

Copier contract (Upland): we successfully negotiated a new contract for multi-functional copiers, through a framework agreement. The newer machines have a higher specification; the leasing agreement offers an excellent level of on-site service, a shorter contract term, and reduced printing costs, resulting in a lower annual expenditure.

EYFS outdoor area redevelopment (Gravel Hill): landscaping, drainage works and new play equipment have transformed the outdoor area, to increase appeal to prospective families. Work was competitively tendered, with much completed in-house to minimise financial outlay.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Academy Trust for the period 1 September 2019 to 31 August 2020 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 Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees

<p style="text-align: center;">UNITY ACADEMY TRUST (A company limited by guarantee)</p>

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 decided to buy-in an internal audit service from Education Financial Services.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included

- 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 trustees 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.

On a semi-annual basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short 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.

Review of effectiveness

As accounting officer, the Interim CEO 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 reviewer;
- the work of the external auditors;
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

UNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:



Mrs B Ojo
Chair of Trustees



Mrs B R McKenzie
Accounting Officer

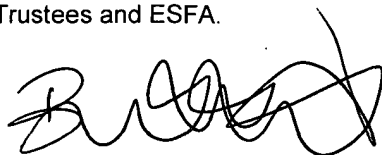
UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Unity Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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.



Mrs B R McKenzie
Accounting Officer
Date: 9 December 2020

UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2020

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:



Mrs B Ojo
Chair of Trustees

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 (the 'academy') for the period ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

UNITY ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our Auditors' report.

Use of our report

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



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

9 December 2020

UNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2nd October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 1 September 2019 to 31 August 2020 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 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 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 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 30th September 2016 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- review of contracts and the bidding process where relevant
- review of minutes of meeting of the board of governors and its committees
- review monthly wages and salary payments
- discussions with those charged with governance and senior management personnel
- analytical review of the financial statements
- test of details on a sample of income and payments to ensure that they are in line with the Academy's financial procedures and/or Academy's financial handbook.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNITY
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bayar Hughes & Co Limited
Chartered Certified Accountants

Date: 9 December 2020

UNITY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	25,789	855,708	881,497	81,566
Charitable activities		-	4,186,433	-	4,186,433	4,162,856
Other trading activities		175,759	4,852	-	180,611	189,503
Investments	6	-	889	-	889	495
Total income		175,759	4,217,963	855,708	5,249,430	4,434,420
Expenditure on:						
Charitable activities		144,040	4,006,201	601,523	4,751,765	4,436,520
Total expenditure		144,040	4,006,201	601,523	4,751,764	4,436,520
Net income		31,719	211,762	254,185	497,666	(2,100)
Transfers between funds	18	-	(91,097)	91,097	-	-
Net movement in funds before other recognised gains/(losses)		31,719	120,665	345,282	497,666	(2,100)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	41,000	-	41,000	(463,000)
Net movement in funds		31,719	161,665	345,282	538,666	(465,100)
Reconciliation of funds:						
Total funds brought forward		408,470	(1,256,853)	14,950,194	14,101,810	14,566,910
Net movement in funds		31,719	161,665	345,282	538,666	(465,100)
Total funds carried forward		440,189	(1,095,188)	15,295,476	14,640,477	14,101,810

UNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 27 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	14,867,558	14,950,195
		<u>14,867,558</u>	<u>14,950,195</u>
Current assets			
Debtors	15	1,127,467	160,317
Cash at bank and in hand		928,599	937,217
		<u>2,056,066</u>	<u>1,097,534</u>
Creditors: amounts falling due within one year	16	(744,147)	(374,918)
Net current assets		<u>1,311,919</u>	<u>722,616</u>
Total assets less current liabilities		<u>16,179,477</u>	<u>15,672,811</u>
Net assets excluding pension liability		<u>16,179,477</u>	<u>15,672,811</u>
Defined benefit pension scheme liability	24	(1,539,000)	(1,571,000)
Total net assets		<u><u>14,640,477</u></u>	<u><u>14,101,811</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	15,295,476	14,950,194
Restricted income funds	18	443,812	314,147
		<u>15,739,288</u>	<u>15,264,341</u>
Restricted funds excluding pension asset	18	15,739,288	15,264,341
Pension reserve	18	(1,539,000)	(1,571,000)
Total restricted funds	18	<u>14,200,288</u>	<u>13,693,341</u>
Unrestricted income funds	18	<u>440,189</u>	<u>408,470</u>
Total funds		<u><u>14,640,477</u></u>	<u><u>14,101,811</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:



Mrs B Ojo
Chair of Trustees

The notes on pages 27 to 53 form part of these financial statements.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	81,590	246,861
Cash flows from investing activities	21	(90,208)	(59,071)
Change in cash and cash equivalents in the period		(8,618)	187,790
Cash and cash equivalents at the beginning of the period		937,217	749,427
Cash and cash equivalents at the end of the period	22, 23	<u>928,599</u>	<u>937,217</u>

The notes on pages 27 to 53 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Unity Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

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 raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT..

1.5 Interest receivable

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

1.6 Taxation

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

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	-	over their useful life
Furniture and equipment	-	25% reducing balance basis
Computer equipment	-	33% straight line basis

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

1.8 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.

1.9 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.

1.10 Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Provisions

Provisions are recognised when the Academy 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

1.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.14 Operating leases

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Fund accounting

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

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

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

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2020. 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 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	-	-	-	474
Grants	-	25,789	855,708	881,497	81,092
	-	25,789	855,708	881,497	81,566
<i>Total 2019</i>	<i>474</i>	<i>81,092</i>	<i>-</i>	<i>81,566</i>	

4. Funding for the Academy's direct costs

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	3,328,812	3,328,812	3,357,106
Local Authority grants	262,989	262,989	343,506
ESFA other grants	576,612	576,612	410,962
ESFA capital grants	18,020	18,020	51,282
Total 2020	4,186,433	4,186,433	4,162,856
<i>Total 2019</i>	<i>4,162,856</i>	<i>4,162,856</i>	

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering income	67,762	-	67,762	84,309
School fund	19,226	-	19,226	24,532
Lettings income	9,340	-	9,340	13,712
Other income	79,431	4,852	84,283	66,950
Total 2020	175,759	4,852	180,611	189,503
<i>Total 2019</i>	<i>163,352</i>	<i>26,151</i>	<i>189,503</i>	

6. Investment income

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	889	889	495
<i>Total 2019</i>	<i>495</i>	<i>495</i>	

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs					
Direct costs	2,922,552	-	164,443	3,086,995	2,851,237
Allocated support costs	452,052	619,899	592,819	1,664,770	1,585,283
Total 2020	3,374,604	619,899	757,262	4,751,765	4,436,520
Total 2019	3,240,684	268,321	927,515	4,436,520	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	3,086,995	1,664,770	4,751,765	4,436,520
Total 2019	2,851,237	1,585,283	4,436,520	

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	452,052	452,052	537,401
Depreciation	173,734	173,734	163,024
Premises costs	619,899	619,899	268,321
Technology costs	61,801	61,801	51,227
Other support costs	345,284	345,284	553,310
Governance costs	12,000	12,000	12,000
Total 2020	<u>1,664,770</u>	<u>1,664,770</u>	<u>1,585,283</u>
<i>Total 2019</i>	<u>1,585,283</u>	<u>1,585,283</u>	

9. Net income

Net income for the period includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	5,287	5,901
Depreciation of tangible fixed assets	173,735	163,024
Fees paid to auditors for:		
- audit	7,000	7,000
- other services	5,000	5,000
	<u>185,022</u>	<u>177,925</u>

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the period were as follows:

	2020 £	2019 £
Wages and salaries	2,417,556	2,411,387
Social security costs	207,235	208,198
Pension costs	531,044	481,221
	<u>3,155,835</u>	<u>3,100,806</u>
Agency staff costs	218,769	139,878
	<u>3,374,604</u>	<u>3,240,684</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	54	47
Support	105	112
Management	5	6
	<u>164</u>	<u>165</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

10. Staff (continued)

d. Key management personnel (continued)

contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £361,068 (2019 £408,512). Two members of the senior management team are seconded from two local primary schools and the of sum of £114,963 (2019:£Nil) was paid for their services.

11. Central services

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

- Teaching and mentoring services
- Management and administrative services

The Academy charges for these services on the following basis:

As a percentage of salaries

The actual amounts charged during the period were as follows:

	2020 £	2019 £
Gravel Hill Primary School	81,708	81,708

12. Trustees' remuneration and expenses

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

		2020 £	2019 £
Mrs V J Marsh	Remuneration	10,000 - 15,000	80,000 - 85,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000

During the period ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

13. 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.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	15,220,910	55,381	87,934	15,364,225
Additions	20,835	1,225	69,038	91,098
At 31 August 2020	15,241,745	56,606	156,972	15,455,323
Depreciation				
At 1 September 2019	338,260	18,997	56,774	414,031
Charge for the period	121,756	9,402	42,577	173,735
At 31 August 2020	460,016	28,399	99,351	587,766
Net book value				
At 31 August 2020	14,781,729	28,207	57,621	14,867,557
At 31 August 2019	14,882,650	36,384	31,161	14,950,195

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	916,894	51,887
Vat recoverable	19,709	33,738
Prepayments and accrued income	190,864	74,692
	<u>1,127,467</u>	<u>160,317</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	57	-
Other taxation and social security	46,561	46,723
Other creditors	64,170	50,775
Accruals and deferred income	633,359	277,420
	<u>744,147</u>	<u>374,918</u>

	2020 £	2019 £
Deferred income at 1 September 2019	155,983	86,333
Resources deferred during the period	92,036	155,983
Amounts released from previous periods	(155,983)	(86,333)
	<u>92,036</u>	<u>155,983</u>

Income deferred at year end relates to Free School Meals of £80,807 (2019:£72,653), ESFA Rates Relief £11,229 (2019:£15,048), CIF grant of £Nil (2019:£25,789), Early Years Funding of £Nil (2019:£33,930) and school trips of £Nil (2019:£8,563).

UNITY/ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

17. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	928,599	937,217

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	408,470	175,759	(144,040)	-	-	440,189
Restricted general funds						
General Annual Grant (GAG)	314,147	3,328,812	(3,108,050)	(91,097)	-	443,812
Other ESFA grants	-	576,612	(576,612)	-	-	-
ESFA capital grant	-	43,820	(43,820)	-	-	-
Local authority grants	-	262,989	(262,989)	-	-	-
Investment income	-	889	(889)	-	-	-
Other income	-	4,841	(4,841)	-	-	-
Pension reserve	(1,571,000)	-	(9,000)	-	41,000	(1,539,000)
	<u>(1,256,853)</u>	<u>4,217,963</u>	<u>(4,006,201)</u>	<u>(91,097)</u>	<u>41,000</u>	<u>(1,095,188)</u>
Restricted fixed asset funds						
Tangible fixed assets	14,950,194	-	(173,734)	91,097	-	14,867,557
DfE Capital grant	-	855,708	(427,789)	-	-	427,919
	<u>14,950,194</u>	<u>855,708</u>	<u>(601,523)</u>	<u>91,097</u>	<u>-</u>	<u>15,295,476</u>
Total Restricted funds	<u>13,693,341</u>	<u>5,073,671</u>	<u>(4,607,724)</u>	<u>-</u>	<u>41,000</u>	<u>14,200,288</u>
Total funds	<u>14,101,811</u>	<u>5,249,430</u>	<u>(4,751,764)</u>	<u>-</u>	<u>41,000</u>	<u>14,640,477</u>

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.

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

The General Annual Grant is provided by the Education and Skills Funding Agency (ESFA) to enable the Academy to fulfil its general educational objectives.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

The Pension Reserve 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 £14,867,557 (2019: £14,950,194), plus costs of £427,919 in respect of CIF projects. 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.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Upland Primary School	486,381	421,364
Gravel Hill Primary School	397,620	301,253
Total before fixed asset funds and pension reserve	884,001	722,617
Restricted fixed asset fund	15,295,476	14,950,194
Pension reserve	(1,539,000)	(1,571,000)
Total	14,640,477	14,101,811

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Upland Primary School	1,584,303	303,054	89,803	354,085	2,331,245	2,269,045
Gravel Hill Primary School	1,338,249	148,998	74,640	684,898	2,246,785	2,004,451
Academy	2,922,552	452,052	164,443	1,038,983	4,578,030	4,273,496

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/(Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	395,321	163,826	(150,677)	-	-	408,470
Restricted general funds						
General Annual Grant (GAG)	42,936	3,353,106	(3,022,330)	(59,565)	-	314,147
Other ESFA grants	-	410,962	(410,962)	-	-	-
ESFA capital grant	-	132,374	(132,374)	-	-	-
Local authority grants	-	343,506	(343,506)	-	-	-
Investment income	-	495	(495)	-	-	-
Other income	-	30,151	(30,151)	-	-	-

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Other restricted general funds	(925,000)	-	(183,000)	-	(463,000)	(1,571,000)
	<u>(882,064)</u>	<u>4,270,594</u>	<u>(4,122,818)</u>	<u>(59,565)</u>	<u>(463,000)</u>	<u>(1,256,853)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	15,053,653	-	(163,023)	-	-	14,950,194
Total Restricted funds	<u>14,171,589</u>	<u>4,270,594</u>	<u>(4,285,841)</u>	<u>(59,565)</u>	<u>(463,000)</u>	<u>13,693,341</u>
Total funds	<u>14,566,910</u>	<u>4,434,420</u>	<u>(4,436,518)</u>	<u>(59,565)</u>	<u>(463,000)</u>	<u>14,101,811</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	14,867,558	14,867,558
Current assets	435,346	765,013	855,706	2,056,065
Creditors due within one year	4,843	(321,201)	(427,788)	(744,146)
Provisions for liabilities and charges	-	(1,539,000)	-	(1,539,000)
Total	<u>440,189</u>	<u>(1,095,188)</u>	<u>15,295,476</u>	<u>14,640,477</u>

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	14,950,195	14,950,195
Current assets	408,483	689,051	-	1,097,534
Creditors due within one year	(14)	(374,904)	-	(374,918)
Provisions for liabilities and charges	-	(1,571,000)	-	(1,571,000)
Total	408,469	(1,256,853)	14,950,195	14,101,811

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	497,666	(2,100)
Adjustments for:		
Depreciation	173,734	163,025
Interest receivable	(889)	(495)
Defined benefit pension scheme finance cost	9,000	183,000
Increase in debtors	(971,992)	(58,513)
Increase/(decrease) in creditors	374,071	(38,056)
Net cash provided by operating activities	81,590	246,861

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	889	495
Purchase of tangible fixed assets	(91,097)	(59,566)
Net cash used in investing activities	(90,208)	(59,071)

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	928,599	937,217
Total cash and cash equivalents	928,599	937,217

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	937,217	(8,618)	928,599
	937,217	(8,618)	928,599

24. Pension commitments

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

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

Contributions amounting to £61,547 were payable to the schemes at 31 August 2020 (2019 - £50,040) and are included within creditors.

Teachers' Pension Scheme

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £371,858 (2019 - £259,268).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £370,186 (2019 - £234,793), of which employer's contributions totalled £324,698 (2019 - £192,297) and employees' contributions totalled £ 45,488 (2019 - £42,496). The agreed contribution rates for future years are 20.9 per cent for employers and 6.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, 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 at the balance sheet date.

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 2020**

24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.4	23.2
Females	25.1	26.2
<i>Retiring in 20 years</i>		
Males	24	25.4
Females	27.1	28.5

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	1,471,000	1,508,000
Mortality assumption - 1 year increase	1,642,000	1,628,000
CPI rate +0.1%	1,609,000	1,636,000

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,037,000	797,000
Government bonds	249,000	184,000
Other bonds	353,000	194,000
Property	207,000	172,000
Cash and other liquid assets	21,000	36,000
Other	207,000	337,000
Total market value of assets	2,074,000	1,720,000

The actual return on scheme assets was £68,000 (2019 - £139,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	301,000	236,000
Past service cost	-	110,000
Interest cost	25,000	23,000
Administrative expenses	8,000	6,000
Total amount recognised in the Statement of financial activities	334,000	375,000

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

	2020 £	2019 £
At 1 September	3,291,000	2,310,000
Interest cost	59,000	65,000
Employee contributions	45,000	42,000
Actuarial (gains)/losses	(2,000)	560,000
Benefits paid	(81,000)	(32,000)
Current service costs	301,000	236,000
Past service costs	-	110,000
At 31 August	3,613,000	3,291,000

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,720,000	1,385,000
Interest income	34,000	42,000
Actuarial gains	39,000	97,000
Employee contributions	45,000	42,000
Benefits paid	(81,000)	(32,000)
Employer contributions	325,000	192,000
Administration expenses	(8,000)	(6,000)
At 31 August	2,074,000	1,720,000

25. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,814	981
Later than 1 year and not later than 5 years	1,814	-
	3,628	981

26. Members' liability

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

UNITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

27. Related party transactions

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

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