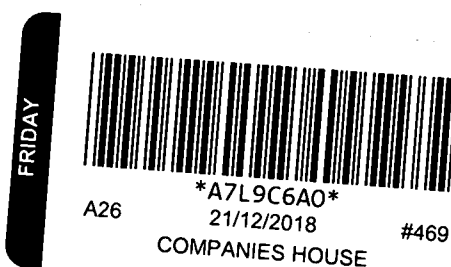


Unity Education Trust

UNITY EDUCATION TRUST
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



UNITY EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr A Jones
Professor J Barclay
Mr A Yellup OBE
Mr M Salt
Mr S Godson (appointed 6 February 2018)

Trustees

Mr A Jones, Chair
Mr G Hambling, Chief Executive Officer^{1,2}
Mr R Barr
Mr E Colman (appointed 27 September 2018)
Mr G Redwood
Mr M Rose
Mrs H Smith (resigned 31 July 2018)²
Mrs N Youles, Vice Chair

¹ Accounting Officer

² Staff Trustee

Company registered number

10591822

Company name

Unity Education Trust

Principal and registered office

Dereham Sixth Form College, Crown Road, Dereham, Norfolk, NR20 4AG

Chief executive officer

Mr G Hambling

Senior management team

Mr G Hambling, CEO, Executive Headteacher
Mrs S Charman, Executive Headteacher – Grove House and Kings Park Federation
Mrs M Farnan, Headteacher – Garvestone Primary School
Mr A Mason, Head of School – Northgate High School, Dereham Sixth Form College
Mrs V Norris, Head of School – Beeston Primary School
Mrs D Steer, Head of Services

Independent auditors

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

Bankers

Lloyds Bank plc, 38 Market Place, Dereham, NR19 2AT

UNITY EDUCATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Solicitors

NP Law, County Hall, Martineau Lane, Norwich, Norfolk, NR1 2DH

UNITY EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Unity Education Trust commenced operations after 1 March 2017 and, therefore, the 2017 figures in the Financial Statements attached to this report refer to a six month period only (ie 1 March 2017 to 31 August 2017). It operates four infant/primary schools, one secondary school, including a sixth form college, in and around Dereham, mid Norfolk. Its academies have a combined pupil capacity of 1,580 and 1,383 pupils on the roll in October 2018 census.

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 Trustees of Unity Education Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Unity Education Trust.

Details of the Trustees who served during the year 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

In accordance with normal commercial practice the academy purchases insurance to protect governors from claims arising from negligent acts, errors of omissions occurring whilst on academy business. The insurance via the Academies Risk Protection Arrangement (RPA) provided cover for up to £10m.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The composition of the Board of Trustees, as set out in its Articles of Association, is up to eleven Trustees appointed by the Members. The Trustees may also appoint co-opted Trustees. The Trust has appointed local governing bodies for each of its schools and the requirement in the Articles of Association for parental representation is met by the provision for there to be at least two parent governors on each local governing body.

The Trust seeks to appoint Trustees and local governors who are committed to promoting the aims and objectives of the Trust and its member schools, and who have appropriate knowledge, skills and experience.

UNITY EDUCATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES AND LOCAL GOVERNORS

New Trustees meet with the Chair, CEO and, perhaps, other Trustees for a briefing about the Trust, the work of the Board of Trustees and the level of engagement expected from individual Trustees. Similar procedures are in place for new Local Governors to meet with the Chair of the local governing body and the Headteacher/Head of School.

The Trust also has written role descriptions and person specifications for Trustees and Local Governors which include a commitment to training and skills development, which the Trust will facilitate.

The Trust has a Gold subscription to the National Governors' Association, with access for all Trustees and Local Governors. This provides up-to-date information on Governance, DfE regulations, etc. The Trust also has membership of School Bus, and information, including its "minute reads", is disseminated by the Chair, CEO and Clerk to others.

f. ORGANISATIONAL STRUCTURE

The Board of Trustees has established local governing bodies and two main committees - Finance & Audit and Standards – and has adopted a scheme of delegation setting out arrangements for the conduct of business. The Scheme of Delegation, which is published on the Trust's website, describes the vision, ethos and underpinning principles of the Trust; the overall levels of governance and education delegation; and the decisions reserved for the Trust Board, and those delegated to committees, local governing bodies and individuals. The Scheme of Delegation includes a formal decision matrix defining these delegations.

The Trust's finance policy and procedures defines in greater detail the responsibilities of the Board of Trustees, the Finance & Audit Committee, the Chief Executive Officer, Headteachers/Heads of Schools, the Chief Finance Officer and other staff members. It also covers accounting arrangements, financial planning, payroll, purchasing and other financial procedures and policies.

The Board of Trustees met on 7 occasions between 1 September 2017 and 31 August 2018. It sets the strategic direction of the Trust and ensures high standards of achievement and improved performance. It is also responsible for ensuring sound financial practices and strong and robust governance.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF FOR KEY MANAGEMENT PERSONNEL

The pay ranges for the Chief Executive Officer, Headteacher/Heads of Schools and other members of the senior leadership team within each school for the period under review were determined by the Board of Trustees in accordance with the provisions of the School Teachers' Pay and Conditions Document.

The annual appraisal of the performance of each Headteacher/Head of School is conducted by the CEO with at least one Local Governor from the school and from 2018 one link Trustee. The annual appraisal of the CEO is undertaken by at least two Trustees. The Board of Trustees make decisions relating to the pay of the CEO, Headteachers/Heads of Schools and such other posts as the Board may determine from time-to-time.

The CEO has delegated authority to make pay decisions within the Trust's pay policy for other posts, and the Board, or a sub-group appointed by it, quality assures the implementation of the policy.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. TRADE UNION FACILITY TIME

Unity Education Trust enables Trade Union facility time through subscription to the trade union facilities time pooled arrangement organised by Norfolk County Council. This is funded by the Trust and the cost for 2017/18 was £4,397.

Relevant union officials

Number of employees who were relevant union officials during the year	-
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	-	%
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i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Owing to the nature of the Trust's operations and the employment or charitable activities of the Trustees, it is possible that transactions may take place with organisations with which a Trustee has an interest. The Trust maintains a register of Trustees' interests and publishes relevant parts on the Trust's website. In addition, Trustees are required to declare an interest in matters under discussion at Trust Board and committee meetings. If there is any doubt about Trustees' ability to act impartially they are required to withdraw from the meeting and not vote. Any transactions involving organisations with which a Trustee has an interest are conducted in accordance with the academy's financial regulations and procedures.

The Academy Trust has links with a number of other organisations, including other local schools in initiatives operated by the Dereham and Litcham Clusters.

UNITY EDUCATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. OBJECTS AND AIMS

The principal object of Unity Education Trust ("UET") is to advance, for the public benefit, the quality of education in mid-Norfolk by establishing, maintaining and developing schools to offer a broad and balanced curriculum in accordance with the provisions of its Articles of Association and its Master Funding Agreement with the Secretary of State for Education.

UET aims to develop like-minded schools to be outstanding through collaborative working and unity of purpose in all that we do.

The Trust sets high expectations in every aspect of our work. We aim to provide pupils with the best opportunities through outstanding teaching, the development of 21st century facilities, inspirational leadership, and a growth mind-set approach.

The Trust aims to ensure that its academies maintain their unique identities at the heart of their communities, as well as engaging with partners and stakeholders and other high performing educational organisations.

The Trust:

- holds an unrelenting belief and focus that all students can achieve high standards, whatever their background and life experiences, when given a positive climate of support, challenge and the development of growth mind-set through outstanding teaching;
- is committed to the notion of 'raising aspirations to fulfil potential' ensuring our learners are encouraged to build confidence, expand their leadership qualities and embrace British values which enable all to thrive in an ever-changing society;
- values all members of UET for their individuality and nurtures them to achieve high levels of success through creative approaches which develop a passion for learning, the ability to be adaptable and a supportive approach to all within our community.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

UET believes in setting high aspirations for all its learners and that all children, regardless of their background, ability or life experiences, can achieve high standards and flourish in an outstanding education setting that cares for all.

- UET academies ensure a growth mind-set for all that does not place limitations on any of its learners and, as a result, learners' aspirations are high and strongly self-motivated.
- UET academies operate on the principle 'Unity of Purpose' in all that they do, supporting each other.
- UET is a multi-academy trust which recognises that successful academies are built upon the key foundations of:
 - excellent leadership and high expectations, standards and professional effectiveness;
 - an unrelenting focus on raising aspirations and the focus on progress and improvement for all;
 - high standards of behaviour, positive environments and work ethic - "The Unity Way"
 - innovative teaching and learning that is led by active teacher practitioners and researchers and that engages all learners;
 - precise and focussed improvement planning that is designed to develop all our academies incorporating cutting-edge developments and succession planning;

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- promoting a positive work life balance for all.
- UET core education, business, operational and governor services have been designed to effectively challenge and support leadership and management within our academies.
- UET believes in maintaining local community schools and providing children and their families in those communities with access to those schools.
- UET is not a selective trust and we follow the Local Authority admissions criteria.
- UET will set up clear lines of support for our academy local governing bodies in terms of accountability, transparency and compliancy.
- UET is an employer of excellence, providing high level continued professional development combined with detailed career development opportunities where all feel valued.

c. PUBLIC BENEFIT

The Trustees believe that by working towards the objects and aims set out above, they comply with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

a. ACHIEVEMENTS AND PERFORMANCE

The mission of the Trust is 'raising inspirations to fulfil potential'. In support of this mission we have ensured that pupils have achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and worked together as a group of schools to enhance outcomes both in terms of academic performance and economies of scale.

b. KEY PERFORMANCE INDICATORS

Specific achievements were as follows:

- At Dereham Sixth Form College - 42% of all A Level Grades were at Grades A* to B, 81% at A* to C and 99% at A* to E. The L3VA was +0.11 and Alps Grade 3.
- At Northgate High School - 72% of all GCSE pupils achieved at least 5 GCSE grades 9-4 (including English and Mathematics).
- At Northgate High School - 45% of all GCSE pupils achieved at least 5 GCSE grades 9-5 (including English and Mathematics).
- At Kings Park Infant School – 71% of pupils met or exceeded the expected standards at KS1 Reading, 75% at Writing and 79% at Mathematics.
- At Grove House Infant and Nursery – 70% of pupils met or exceeded the expected standards at KS1 Reading, 67% Writing and 80% Mathematics.
- At Beeston Primary School - 70% of pupils met or exceeded the expected standards at KS1 Reading, 67% at Writing and 80% at Mathematics. Expected standard + for Reading, Writing and Maths combined was 52%.
- At Garvestone Primary School - 71% of pupils met or exceeded the expected standards at KS1 reading, 71% at Writing and 71% at Mathematics. Expected standard + for Reading, Writing and Maths combined was 67%.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. GOING CONCERN

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

Financial review

a. RESERVES POLICY

The Trustees have a reserves and investment policy which was reviewed in December 2017. It is the policy of UET to have levels of reserves which are neither so high that they tie up money which should be spent on current Trust / academy activities nor so low that they put future activities of the Trust / academy at risk. The level of reserves are set on an annual basis as part of the budget setting process.

As at 31 August 2018 the Academy Trust had free reserves of £193,311 available for general purposes. The GAG funding carried forward is £41,088 and this is available for general educational use of the Academy Trust.

A more detailed analysis of the Funds held by the Trust is shown in Note 19.

b. MATERIAL INVESTMENTS POLICY

In December 2017 the Trustees reviewed and adopted a reserves and investment policy. Unity Education Trust will invest its reserves and any surplus cash funds to optimise returns whilst always ensuring that security takes precedence over revenue maximisation.

This will mean that any monies will be deposited in instant access or short-term notice accounts up to amounts covered by the Financial Services Compensation Scheme.

The Finance & Audit Committee will approve the opening of accounts in accordance with the above principles and agree the arrangements for depositing and withdrawing funds.

The Finance & Audit Committee review the performance of investments on a regular basis.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a risk register which identifies the risks to which the academy trust is exposed together with actions and procedures to mitigate those risks. The register appears as an item on all Board and committee agendas; comments are added during the year; and the register is formally reviewed and updated on an annual basis.

The CEO has lead responsibility for risk management processes and for bringing Trustees' attention to any changes to risk profiles. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Board of Trustees have assessed the principal risks as falling into the following main categories all of which are assessed against existing controls and mitigating actions:

- Governance and Strategic
- Operational
- Compliance
- Financial

d. FUNDRAISING

The funds for the Trust's educational operations come primarily from DfE and other government grants. Parental contributions are received towards the cost of educational visits and similar activities and some funds are generated from the letting of school premises and services provided to other schools. The Trust does not engage in fundraising for its core activities but individual schools do arrange events which help to raise money for external charities and other good causes. Some schools also have Friends or Parent Teacher Associations which organise events which may enable them to denote small sums to their schools for defined purposes. All contributions are voluntary.

Plans for future periods

a. FUTURE DEVELOPMENTS

In a fast-changing world, bringing together leaders to shape and drive the educational ambition and operational management of a group of schools provides a powerful way to chart a successful path into the future.

Unity Education Trust is a small locally-based multi academy trust working with primary and secondary schools. It is committed to working with like-minded organisations and, whilst initially, our plans for growth are to work with 'Outstanding' and 'Good Schools' will also look to continue to develop our capacity to be able to engage with schools which require support to improve outcomes for learners. Our plans are to build on existing partnerships, which have been underpinned by trust and mutual respect, a shared ethos and a history of being rooted in the community.

Unity Education Trust is committed to developing mutually beneficial partnerships with schools, businesses and other multi academy trusts.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian Trustee on behalf of others.

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2018 and signed on its behalf by:


.....
Mr A Jones, Chair

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Unity Education 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 Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Unity Education Trust and the Secretary of State for Education. The CEO is 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Jones, Chair	7	7
Mr G Hambling, Chief Executive Officer	7	7
Mr R Barr	7	7
Mr E Colman	0	0
Mr G Redwood	7	7
Mr M Rose	7	7
Mrs H Smith	2	6
Mrs N Youles, Vice Chair	5	7

In July 2018 the Trustees held an away day to review the operation and governance of the Trust in its first full year. The day included a self-review of the work of the Trustees; the formal annual review of the risk register; an update of the Trust's Strategic Plan; and a review of the respective roles of the Trustees and Local Governors and the channels of communication between them. The Trustees agreed on the need to define more clearly the role of Local Governors and to focus their responsibilities on school standards and on community engagement. This together with the appointment of a Link Trustee for each school governing body (now to be called School Oversight Committees) and a cycle of meetings to mesh with Trust Board meetings would, in the view of the Trustees, strengthen governance at all levels. Local governors were consulted and agreed changes reflected in revisions to the Scheme of Delegation to operate from the start of the 2018-9.

The Finance & Audit Committee is a subcommittee of the main Board of Trustees. It has general oversight of all matters relating to budgeting and finance, including consideration of the annual budget for the following year, compliance with financial regulations and ensuring the timely preparation of the annual accounts. It advises the Board of Trustees on these matters, as well as relevant statutory or ESFA regulatory requirements. As the Board's Finance & Audit Committee it receives external auditors' reports and recommends to the Trust Board action in response to audit findings. The Committee also ensures the provision of effective internal audits within the Trust and each of its schools.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Barr	2	3
Mr G Hambling	3	3
Mr A Jones	3	3
Mrs N Youles	2	3

UNITY EDUCATION TRUST
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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- negotiating a new contract for the Trust management information system at a significant discount;
- using the Crown Commercial Service, exploring various purchasing options both on line and direct through suppliers to find the best value;
- ensuring major purchases and contracts are always tendered, reviewed and discussed by the Finance & Audit Committee before any commitments are made.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Education Trust for the year 1 September 2017 to 31 August 2018 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & Audit 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.
- delegation of authority and segregation of duties;

UNITY EDUCATION TRUST
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GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Educator Solutions as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:
giving advice on financial matters and performing a range of checks on the academy trust's financial systems, both centrally and within the member schools.

The auditor reports to the Board of Trustees through the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS


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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process, including a validation of the Trust's FMGS return by the DfE's Provider Risk and Assurance Team;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:


.....
Mr A Jones, Chair


.....
Mr G Hambling, Chief Executive Officer
Accounting Officer

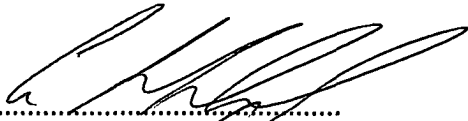
UNITY EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Unity Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees 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 2017.

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.



.....
Mr G Hambling, Chief Executive Officer
Accounting Officer

Date: 11 December 2018

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 11 December 2018 and signed on its behalf by:


.....
Mr A Jones, Chair

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Unity Education Trust (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 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 EDUCATION TRUST
(A company limited by guarantee)

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

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. 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 EDUCATION TRUST
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

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

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

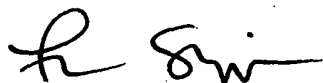
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.



Frank Shippam BSc FCA DChA (Senior statutory auditor) (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Statutory Auditors
Chartered Accountants

7 The Close
Norwich
Norfolk
NR1 4DJ
18 December 2018

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Education Trust during the year 1 September 2017 to 31 August 2018 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 Education 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 Education 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 Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF UNITY EDUCATION TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Unity Education Trust's funding agreement with the Secretary of State for Education dated 27 February 2017, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 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 EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2017.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners LLP

MA Partners LLP

Statutory Auditors
Chartered Accountants

7 The Close
Norwich
Norfolk
NR1 4DJ

18 December 2018

UNITY EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Donations - Transfer in on existing academies joining the trust	2	-	-	-	-	8,737,008
Donations - Transfer from Local Authority on conversion	2	-	-	-	-	6,862,024
Other donations and capital grants	2	1,734	8,004	1,131,216	1,140,954	5,322
Charitable activities	3	51,444	7,410,091	-	7,461,535	4,982,308
Other trading activities	4	147,725	-	-	147,725	46,284
Investments	5	800	-	-	800	258
TOTAL INCOME		201,703	7,418,095	1,131,216	8,751,014	20,633,204
EXPENDITURE ON:						
Charitable activities		-	9,372,026	340,811	9,712,837	4,567,848
TOTAL EXPENDITURE	8	-	9,372,026	340,811	9,712,837	4,567,848
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		201,703	(1,953,931)	790,405	(961,823)	16,065,356
Transfers between Funds	19	(675,585)	1,099,828	(424,243)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(473,882)	(854,103)	366,162	(961,823)	16,065,356
Actuarial gains on defined benefit pension schemes	24	-	516,000	-	516,000	321,500
NET MOVEMENT IN FUNDS		(473,882)	(338,103)	366,162	(445,823)	16,386,856
RECONCILIATION OF FUNDS:						
Total funds brought forward		667,193	(491,070)	16,210,733	16,386,856	-
TOTAL FUNDS CARRIED FORWARD		193,311	(829,173)	16,576,895	15,941,033	16,386,856

The notes on pages 24 to 52 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10591822

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	16		15,908,354		16,210,733
CURRENT ASSETS					
Debtors	17	517,604		872,951	
Cash at bank and in hand		1,050,670		1,130,008	
		<u>1,568,274</u>		<u>2,002,959</u>	
CREDITORS: amounts falling due within one year	18	<u>(513,595)</u>		<u>(582,836)</u>	
NET CURRENT ASSETS			1,054,679		1,420,123
TOTAL ASSETS LESS CURRENT LIABILITIES			16,963,033		17,630,856
Defined benefit pension scheme liability	24		<u>(1,022,000)</u>		<u>(1,244,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>15,941,033</u>		<u>16,386,856</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	192,827		752,930	
Restricted fixed asset funds	19	16,576,895		16,210,733	
Restricted income funds excluding pension liability		<u>16,769,722</u>		<u>16,963,663</u>	
Pension reserve		<u>(1,022,000)</u>		<u>(1,244,000)</u>	
Total restricted income funds			15,747,722		15,719,663
Unrestricted income funds	19		193,311		667,193
TOTAL FUNDS			<u>15,941,033</u>		<u>16,386,856</u>

The financial statements on pages 21 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



Mr A Jones, Chair

The notes on pages 24 to 52 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(162,783)</u>	<u>295,285</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		800	258
Purchase of tangible fixed assets		(38,432)	(42,356)
Capital grants from DfE Group		116,077	-
Capital funding received from sponsors and others		5,000	-
Cash transferred from Local Authority on conversion		-	509,544
Cash transferred on academy joining the MAT		-	367,277
Net cash provided by investing activities		<u>83,445</u>	<u>834,723</u>
Change in cash and cash equivalents in the year		<u>(79,338)</u>	<u>1,130,008</u>
Cash and cash equivalents brought forward		1,130,008	-
Cash and cash equivalents carried forward	22	<u><u>1,050,670</u></u>	<u><u>1,130,008</u></u>

The notes on pages 24 to 52 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Company status

The academy is a private company limited by guarantee. The members and Trustees of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 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 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.

1.4 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 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.

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.

1.6 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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	over the term of the lease
Leasehold buildings	-	2% straight line
Furniture and equipment	-	25% straight line
Motor vehicles	-	10% straight line
Computer equipment	-	10%-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.

The academy trust is party to lease agreements with Norfolk County Council for the school properties. The leases are for a period of 125 years and substantially all the risks and rewards of ownership have been transferred to the academy trust for £NIL rental. As such the school property has been recognised as a fixed asset in the Balance Sheet at a fair value of £16,195,028. The fair values are based upon the values written out of Norfolk County Council's financial statements on conversion and Northgate High School Trust's financial statements at the date of transfer.

1.8 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.

1.9 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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Liabilities and provisions

Liabilities and provisions 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 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 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 17. 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 18. 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.

1.13 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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 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 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 24, 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 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 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 2018. 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.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

The fair value of land and buildings transferred in on conversion has been based upon the value written out of Norfolk County Council's financial records.

UNITY EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>As restated Total funds 2017 £</i>
Donations - Transfer in on existing academies joining the trust	-	-	-	-	8,737,008
Donations - Transfer from Local Authority on conversion	-	-	-	-	6,862,024
Subtotal detailed disclosure	-	-	-	-	15,599,032
Donations	1,734	8,004	5,000	14,738	5,322
Capital Grants	-	-	1,126,216	1,126,216	-
Subtotal	1,734	8,004	1,131,216	1,140,954	5,322
	1,734	8,004	1,131,216	1,140,954	15,604,354
<i>Total 2017</i>	663,706	(1,380,855)	16,321,503	15,604,354	

UNITY EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,695,706	6,695,706	3,776,778
Pupil Premium	-	298,955	298,955	167,191
Devolved Formula Capital	-	-	-	43,461
UIFSM Grant	-	65,985	65,985	29,825
Start Up Grant	-	-	-	100,000
Post 16 Bursary	-	29,358	29,358	11,702
PE Grant	-	66,230	66,230	13,788
Condition Improvement Fund	-	-	-	688,103
	-	7,156,234	7,156,234	4,830,848
Other government grants				
SEN funding	-	49,516	49,516	61,782
LAC - Pupil Premium	-	6,126	6,126	7,000
NCC - Nursery Income	-	59,712	59,712	19,186
Other NCC Grants	-	5,737	5,737	-
	-	121,091	121,091	87,968
Other funding				
Educational visits	-	132,666	132,666	51,257
Music fees	5,828	-	5,828	1,465
Teacher training placement income	7,492	100	7,592	1,500
Sales of educational resources	25,650	-	25,650	4,342
Exam income	172	-	172	1,099
Catering income	12,302	-	12,302	3,829
	51,444	132,766	184,210	63,492
	51,444	7,410,091	7,461,535	4,982,308
<i>Total 2017</i>	12,235	4,970,073	4,982,308	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rent income	1,697	-	1,697	848
Insurance claims	5,041	-	5,041	7,812
Other income	32,436	-	32,436	2,003
Lettings income	52,688	-	52,688	21,377
Income from services provided	55,863	-	55,863	14,244
	<u>147,725</u>	<u>-</u>	<u>147,725</u>	<u>46,284</u>
<i>Total 2017</i>	<u>46,284</u>	<u>-</u>	<u>46,284</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	800	-	800	258
	<u>800</u>	<u>-</u>	<u>800</u>	<u>258</u>
<i>Total 2017</i>	<u>258</u>	<u>-</u>	<u>258</u>	

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6. DIRECT COSTS

	Total 2018 £	Total 2017 £
Education professional fees	49,098	28,424
Educational supplies	97,324	65,331
Examination fees	107,380	15,452
Staff development	18,143	19,850
Other direct costs	75,337	84,100
Agency supply staff	103,206	45,730
Educational visits	143,860	51,592
Student transport	7,492	3,123
Bursary payments	24,550	5,750
Alternative provision	37,997	40,252
Wages and salaries	4,573,152	2,269,645
National insurance	405,466	216,366
Pension cost	670,425	370,082
	<u>6,313,430</u>	<u>3,215,697</u>
<i>Total 2017</i>	<u>3,215,697</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension income	36,000	20,000
Technology costs	57,427	80,309
Recruitment and support	10,301	3,111
Maintenance of premises and equipment	1,204,949	209,150
Cleaning	113,064	58,271
Rent and rates	55,174	29,374
Energy costs	131,984	56,754
Insurance	33,325	18,608
Security and transport	6,036	8,231
Catering	126,954	70,807
Bank interest and charges	1,863	527
Other support costs	103,753	51,818
Travel and subsistence	1,709	(649)
Auditor's remuneration	9,010	8,310
Auditor's non audit costs	2,016	3,000
Professional fees	145,651	51,772
Wages and salaries	621,201	326,750
National insurance	38,931	22,352
Pension cost	359,248	180,529
Depreciation	340,811	153,126
	<u>3,399,407</u>	<u>1,352,150</u>
<i>Total 2017</i>	<u>1,352,150</u>	

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	5,752,249	-	561,181	6,313,430	3,215,698
Support costs	1,019,380	1,796,225	583,802	3,399,407	1,352,150
	<u>6,771,629</u>	<u>1,796,225</u>	<u>1,144,983</u>	<u>9,712,837</u>	<u>4,567,848</u>
<i>Total 2017</i>	<u>3,431,455</u>	<u>481,417</u>	<u>654,976</u>	<u>4,567,848</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Unrecoverable debts	273	-	NA

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	340,811	153,127
Auditors' remuneration - audit	9,010	8,250
Auditors' remuneration - other services	2,016	3,000
Operating lease rentals	29,864	9,005
	=====	=====

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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,176,102	2,596,396
Social security costs	444,396	238,718
Operating costs of defined benefit pension schemes	1,029,673	550,611
	<u>6,650,171</u>	<u>3,385,725</u>
Agency staff costs	103,206	45,730
Staff restructuring costs	18,252	-
	<u><u>6,771,629</u></u>	<u><u>3,431,455</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	8,252	-
Severance payments	10,000	-
	<u><u>18,252</u></u>	<u><u>-</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,000 (2017: £nil). Individually, the payments were: £10,000 made on 23 April 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF COSTS (continued)

c. Staff numbers

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

	2018	2017
	No.	No.
Management	14	13
Teachers	89	94
Administration and support	109	122
	<u>212</u>	<u>229</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Management	12	13
Teachers	85	85
Administration and support	62	68
	<u>159</u>	<u>166</u>

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	0
In the band £100,001 - £200,000	1	0

The above employees participated in the Teachers' Pension Scheme.

e. Key management personnel

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £466,344 (2017: £221,978).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. CENTRAL SERVICES

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

- Provision of management information system
- Provision of accounting system
- ICT technical support
- Procurement support
- School improvement advice and support
- Audit: external and internal
- Building Maintenance

The Trust charges for these services on the following basis:

A flat percentage of GAG income basis (5.0%) plus a premises fund of a flat percentage of GAG income basis (3.0%) for primaries and £60,000 for secondaries.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Northgate High School	320,832	149,533
Beeston Primary	29,131	11,546
Garvestone Primary	23,528	8,436
Grove House Infant School	34,470	13,680
Kings Park Infant School	34,126	13,288
	<u>442,087</u>	<u>196,483</u>
Total		

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The CEO and other staff Trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mr G Hambling, Chief Executive	Remuneration	100,000-105,000	45,000-50,000
	Pension contributions paid	15,000-20,000	5,000-10,000
Ms H Smith	Remuneration		0-5,000
	Pension contributions paid		0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. 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.

15. PENSION INTEREST

	2018 £	2017 £
Interest income on pension scheme assets	52,000	18,500
Interest on pension scheme liabilities	(88,000)	(38,500)
	<u>(36,000)</u>	<u>(20,000)</u>

16. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Assets under the course of constr'tion £	Total £
Cost						
At 1 September 2017	16,231,935	21,837	22,015	88,073	-	16,363,860
Additions	-	13,920	-	15,701	8,811	38,432
At 31 August 2018	<u>16,231,935</u>	<u>35,757</u>	<u>22,015</u>	<u>103,774</u>	<u>8,811</u>	<u>16,402,292</u>
Depreciation						
At 1 September 2017	129,417	6,220	1,941	15,549	-	153,127
Charge for the year	291,055	11,604	3,532	34,620	-	340,811
At 31 August 2018	<u>420,472</u>	<u>17,824</u>	<u>5,473</u>	<u>50,169</u>	<u>-</u>	<u>493,938</u>
Net book value						
At 31 August 2018	<u>15,811,463</u>	<u>17,933</u>	<u>16,542</u>	<u>53,605</u>	<u>8,811</u>	<u>15,908,354</u>
At 31 August 2017	<u>16,102,518</u>	<u>15,617</u>	<u>20,074</u>	<u>72,524</u>	<u>-</u>	<u>16,210,733</u>

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17. DEBTORS

	2018 £	2017 £
Trade debtors	31,955	11,978
VAT repayable	123,569	109,749
Other debtors	-	369,403
Prepayments and accrued income	362,080	381,821
	<u>517,604</u>	<u>872,951</u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	126,183	122,510
Other taxation and social security	218,285	232,820
Other creditors	2,766	98,975
Accruals and deferred income	166,361	128,531
	<u>513,595</u>	<u>582,836</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	109,532	-
Resources deferred during the year	77,012	109,532
Amounts released from previous years	(109,532)	-
Deferred income at 31 August 2018	<u>77,012</u>	<u>109,532</u>

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- Trip income (£23,150).
- Lettings (£594).
- Universal Infant Free School Meals funding (£33,927).
- Rates relief grant income (£18,932).
- LAC Pupil Premium (£350).
- Other income (£59).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	629,362	201,703	-	(637,754)	-	193,311
Central Services	37,831	-	-	(37,831)	-	-
	<u>667,193</u>	<u>201,703</u>	<u>-</u>	<u>(675,585)</u>	<u>-</u>	<u>193,311</u>
Restricted funds						
General Annual Grant (GAG)	24,493	6,695,706	(6,631,888)	(47,223)	-	41,088
Central services	-	-	(411,814)	479,918	-	68,104
Pupil Premium	35,698	305,081	(332,466)	-	-	8,313
Post 16 Bursary	23,780	29,358	(24,550)	-	-	28,588
Start Up Grant	40,936	-	(22,881)	(8,000)	-	10,055
Universal Infant Free School Meals	876	65,985	(73,614)	300	-	(6,453)
Devolved Formula Capital	23,408	-	-	(3,961)	-	19,447
Condition Improvement Fund	586,806	-	(1,039,806)	453,000	-	-
PE Grant	10,851	66,230	(34,400)	(8,921)	-	33,760
SEN Funding	-	49,516	(61,445)	471	-	(11,458)
Nursery Income	109	59,712	(59,713)	-	-	108
School Trips	1,238	132,666	(133,719)	244	-	429
Other restricted donations	4,735	13,841	(17,730)	-	-	846
Pension reserve	(1,244,000)	-	(528,000)	234,000	516,000	(1,022,000)
	<u>(491,070)</u>	<u>7,418,095</u>	<u>(9,372,026)</u>	<u>1,099,828</u>	<u>516,000</u>	<u>(829,173)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Assets transferred on conversion	6,774,367	-	(50,224)	-	-	6,724,143
Assets transferred in from other Trusts	9,394,450	-	(279,419)	-	-	9,115,031
Assets purchased from GAG	39,274	-	(4,140)	7,875	-	43,009
Assets purchased from Start Up Grant	2,642	-	(3,548)	8,000	-	7,094
Condition Improvement Fund	-	1,080,237	-	(448,165)	-	632,072
Devolved Formula Capital	-	45,979	-	(874)	-	45,105
Assets purchased from Donations	-	5,000	(1,250)	-	-	3,750
Assets purchased from PE Grant	-	-	(2,230)	8,921	-	6,691
	<u>16,210,733</u>	<u>1,131,216</u>	<u>(340,811)</u>	<u>(424,243)</u>	<u>-</u>	<u>16,576,895</u>
Total restricted funds	<u>15,719,663</u>	<u>8,549,311</u>	<u>(9,712,837)</u>	<u>675,585</u>	<u>516,000</u>	<u>15,747,722</u>
Total of funds	<u>16,386,856</u>	<u>8,751,014</u>	<u>(9,712,837)</u>	<u>-</u>	<u>516,000</u>	<u>15,941,033</u>

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

The **General Annual Grant** (GAG) is for the normal running costs of the Academy. The following transfers have been made from the GAG: £234,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme; £300 to UIFSM in Kings Park Infant School; £244 to School Trips in Beeston Primary; £7,875 to the restricted fixed asset funds representing fixed assets purchased from GAG monies; and £442,087 to the Central Services fund representing Academy contributions the central service charge.

The following transfer was made from Unrestricted funds to clear deficits arising on restricted funds: £583,466 to GAG at Northgate High School; £23,387 to GAG, and £471 to SEN funding at Garvestone Primary School; £30,430 to GAG at Grove House Infant School.

The **Pupil Premium** income was provided by the ESFA to help raise the attainment of disadvantaged pupils.

The **Devolved Formula Capital** fund related to funding for the cost of minor capital works and ICT replacement.

Post 16 Bursary funding was provided to fund additional resources required in the delivery of education to 16-19 year old pupils.

A **Start Up Grant** was received from the ESFA to contribute towards expenses incurred in the process of converting to academy status.

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19. STATEMENT OF FUNDS (continued)

SEN Funding was received to provide additional educational support to those pupils with special educational needs. This income was received from the Cluster and is in addition to the allocation included within GAG funding.

Nursery Funding is utilised to employ appropriate staff for the Nursery on site at Grove House Infant & Nursery.

The Pension reserve deficit at the 31 August 2018 was £1,022,000 and represents the Trust's share of the deficit of the Local Government Pension Scheme at that date.

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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Northgate High School	136,048	1,196,450
Beeston Primary	47,207	25,707
Garvestone Primary	(6,139)	30,308
The Federation of Grove House & Kings Park Infant Schools	124,212	92,386
Central Services	84,810	75,272
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	386,138	1,420,123
Restricted fixed asset fund	16,576,895	16,210,733
Pension reserve	(1,022,000)	(1,244,000)
	<hr/>	<hr/>
Total	15,941,033	16,386,856
	<hr/>	<hr/>

The fund balances of Grove House Infant School and Kings Park Infant School have been aggregated as the academies operate as a federation.

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Garvestone Primary	(6,139)

Garvestone Primary School experienced financial strain during the year under review due to increased pupil numbers and the effects of lagged funding.

The following action is being taken to return the academy to surplus:

The CEO and the Trustees will be working very closely with the academy to ensure that spending is in line with funds available. This will include additional support with budget processes and a review of staffing with reference to Integrated Curriculum and Financial Planning guidance. In accordance with the Reserves Policy of the Trust the Audit and Finance Committee will implement the following controls:

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

- (a) No staff posts which fall vacant will be filled without the written approval of the CEO who will report his decisions to each meeting of the Finance and Audit Committee.
- (b) The Finance and Audit Committee may apply restrictions on expenditure from other budget headings to apply from the start of the year or at any point during the year. These controls will be notified in writing to the Head and reported to the Local Governors and may include a requirement for prior approval from the CEO or CFO for some kinds or levels of expenditure.
- (c) Restrictions and decisions taken in accordance with (a) and (b) above will have regard not only to the school's budget and expenditure in year but also forecasts for the following two years and the likelihood of the school's reserves reaching the required level during that period.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Northgate High School	4,425,055	708,522	68,649	1,717,133	6,919,359	3,343,371
Beeston Primary	253,340	38,802	5,092	95,074	392,308	194,805
Garvestone Primary	235,712	62,115	10,595	58,067	366,489	142,595
Grove House Infant School	391,781	93,637	10,272	230,109	725,799	298,243
Kings Park Infant School	277,948	64,911	2,319	188,203	533,381	213,383
Central Services	168,413	51,393	397	214,487	434,690	222,325
	<u>5,752,249</u>	<u>1,019,380</u>	<u>97,324</u>	<u>2,503,073</u>	<u>9,372,026</u>	<u>4,414,722</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 30 January 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
General funds						
General Funds	-	722,483	-	(93,121)	-	629,362
Central Services	-	-	(158,652)	196,483	-	37,831
Restricted funds						
General Annual Grant (GAG)	-	3,776,780	(3,487,020)	(265,267)	-	24,493
Pupil Premium	-	189,771	(154,073)	-	-	35,698
Post 16 Bursary	-	23,780	-	-	-	23,780
Start Up Grant	-	107,250	(63,672)	(2,642)	-	40,936
Universal Infant Free School Meals	-	29,825	(33,218)	4,269	-	876
Devolved Formula Capital Condition Improvement Fund	-	43,461	(20,053)	-	-	23,408
PE Grant	-	688,103	(101,297)	-	-	586,806
SEN Funding	-	13,788	(2,937)	-	-	10,851
Nursery Income	-	61,782	(62,204)	422	-	-
School Trips	-	19,186	(19,077)	-	-	109
School Trips	-	51,257	(50,019)	-	-	1,238
Other restricted donations	-	4,735	-	-	-	4,735
Pension reserve	-	(1,420,500)	(262,500)	117,500	321,500	(1,244,000)
	-	3,589,218	(4,256,070)	(145,718)	321,500	(491,070)
Restricted fixed asset funds						
Assets transferred on conversion	-	6,799,480	(25,113)	-	-	6,774,367
Assets transferred in from other Trusts	-	9,522,023	(127,573)	-	-	9,394,450
Assets purchased from GAG	-	-	(440)	39,714	-	39,274
Assets purchased from Start Up Grant	-	-	-	2,642	-	2,642
	-	16,321,503	(153,126)	42,356	-	16,210,733
Total restricted funds	-	19,910,721	(4,409,196)	(103,362)	321,500	15,719,663
Total of funds	-	20,633,204	(4,567,848)	-	321,500	16,386,856

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	15,908,354	15,908,354
Current assets	119,023	780,710	668,541	1,568,274
Creditors due within one year	74,288	(587,883)	-	(513,595)
Provisions for liabilities and charges	-	(1,022,000)	-	(1,022,000)
	<u>193,311</u>	<u>(829,173)</u>	<u>16,576,895</u>	<u>15,941,033</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	16,210,733	16,210,733
Current assets	667,193	1,335,766	-	2,002,959
Creditors due within one year	-	(582,836)	-	(582,836)
Provisions for liabilities and charges	-	(1,244,000)	-	(1,244,000)
	<u>667,193</u>	<u>(491,070)</u>	<u>16,210,733</u>	<u>16,386,856</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(961,823)	16,065,356
Adjustment for:		
Depreciation charges	340,811	153,127
Dividends, interest and rents from investments	(800)	(258)
Decrease/(increase) in debtors	355,347	(800,448)
(Decrease)/increase in creditors	(69,241)	331,540
Capital grants from DfE and other capital income for capital projects	(121,077)	-
Defined benefit pension scheme cost less contributions payable	258,000	125,000
Defined benefit pension scheme finance cost	36,000	20,000
Transfer from existing academy joining the Trust	-	(8,737,008)
Transfer from Local Authority on conversion	-	(6,862,024)
Net cash (used in)/provided by operating activities	<u>(162,783)</u>	<u>295,285</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,050,670	1,130,008
Total	<u>1,050,670</u>	<u>1,130,008</u>

23. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>500,688</u>	<u>334,153</u>

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24. 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 Norfolk Pension Fund. Both are Multi-employer defined benefit pension schemes.

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 £104,057 were payable to the schemes at 31 August 2018 (2017 - 108,760) 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 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.
- 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%.

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 £603,467 (2017 - £304,387).

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24. PENSION COMMITMENTS (continued)

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 an unfunded 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 year ended 31 August 2018 was £303,000 (2017 - £154,400), of which employer's contributions totalled £234,000 (2017 - £117,500) and employees' contributions totalled £69,000 (2017 - £37,000). The agreed contribution rates for future years are 19.3% for employers and 5.5 - 12.5% for employees.

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

Norfolk Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.1%	109,200	104,400
Salary rate +0.1%	18,800	20,200
Pension rate +0.1%	89,200	79,400

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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,226,550	1,223,880
Corporate bonds	817,700	493,500
Property	288,600	217,140
Cash and other liquid assets	72,150	39,480
Total market value of assets	<u>2,405,000</u>	<u>1,974,000</u>

The actual return on scheme assets was £132,000 (2017 - £76,000).

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

	2018 £	2017 £
Current service cost	(492,000)	(242,500)
Interest income	52,000	18,500
Interest cost	(88,000)	(38,500)
Total	<u>(528,000)</u>	<u>(262,500)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,218,000	-
Upon conversion	-	730,000
Transferred in on existing academies joining the trust	-	2,434,500
Current service cost	492,000	242,500
Interest cost	88,000	38,500
Employee contributions	69,000	37,000
Actuarial gains	(436,000)	(264,000)
Benefits paid	(4,000)	(500)
Closing defined benefit obligation	<u>3,427,000</u>	<u>3,218,000</u>

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,974,000	-
Upon conversion	-	283,000
Transferred in on existing academies joining the trust	-	1,461,000
Interest income	52,000	18,500
Return on assets excluding amounts included in net interest	80,000	57,500
Employer contributions	234,000	117,500
Employee contributions	69,000	37,000
Benefits paid	(4,000)	(500)
Closing fair value of scheme assets	<u>2,405,000</u>	<u>1,974,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	25,937	23,969
Between 1 and 5 years	33,286	34,195
Total	<u>59,223</u>	<u>58,164</u>

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.

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27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

During the year, the spouse of Mr A Jones, a trustee, received remuneration of £ 275 (2017: £212) for casual work carried out at the academy.

During the year, the spouse of Ms H Smith, a trustee, received remuneration of £ 1,335 (2017: £814) for casual work carried out at the academy.

28. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the Trust received £1,200 and disbursed £1,200 from the fund. There was no amount included in other creditors relating to undistributed funds that are repayable to ESFA.