

Company Registration No. 07452837 (England and Wales)

**EQUA MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



# **EQUA MULTI ACADEMY TRUST**

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# EQUA MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Alex Holloway (Resigned 31/03/2019)  
Alex Purcell (Resigned 31/03/2019)  
Elliot Wallace (Resigned 31/03/2019)  
Steven Morse (Resigned 31/03/2019)  
Aiden Johnson-Hugill (Appointed 01/04/2019)  
Charles Nettlefold (Appointed 01/04/2019)  
Jonathan Barber (Appointed 01/04/2019)  
Nicky Clarke (Appointed 01/04/2019)

### Trustees

Sarah Lowkis (CEO and Accounting Officer)  
Mark Bartlett (Staff Trustee) (Resigned 31 March 2019)  
Alex Holloway (Resigned 31 March 2019)  
Steven Morse (Chair until 31 March 2019) (Resigned 31 March 2019)  
Elanor Oddy (Resigned 31 March 2019)  
Philip Salaman (Resigned 31 March 2019)  
Elliot Wallace (Parent Trustee) (Resigned 31 March 2019)  
Justine Bland (Resigned 31 March 2019)  
Pauline Guiney (Resigned 31 March 2019)  
James Rosenegk (Resigned 31 March 2019)  
Lorraine Stabbins (Resigned 31 March 2019)  
Daniel Davies (Resigned 31 March 2019)  
Michael Rees (Resigned 31 March 2019)  
Patrick Hazlewood (Appointed 1 April 2019)  
Mark Stevens (Appointed 1 April 2019)  
Nicky Clarke (Appointed 1 April 2019)  
John Evans (Appointed 1 April 2019)  
Crispin Haywood (Appointed 1 April 2019)  
Roger Townsend (Chair from 1 April 2019) (Appointed 1 April 2019)  
Paul White (Appointed 1 April 2019)  
Keith Clover (Appointed 4 September 2019)  
Judith Holloway (Resigned 31 March 2019)

### Senior leadership team

- Head of Lavington and CEO	Sarah Lowkis
- Head of Bishops Cannings	Catherine Vardy
- Head of Chirton	Amy Bekker-Wrench
- Head of Rushall	Sarah Ward
- Head of Woodborough	Sarah Brewis
- Head of All Cannings and Primary School improvement lead	Richard Borman
- Business Manager (Resigned 28/02/2019)	Angela Downing
- Chief Financial Officer (From 01/04/2019)	Sandra Reynolds

**Company secretary** Daniela De Cet

**Company registration number** 07452837 (England and Wales)

# EQUA MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Registered office**

The Spring  
Market Lavington  
Devizes  
Wiltshire  
SN10 4EB

**Academies operated**

Lavington School  
Woodborough CofE Primary School  
Rushall CofE Primary School  
Chirton CofE Primary School  
Bishops Cannings CofE Primary School  
All Cannings CofE Primary School  
Equa Multi Academy Trust

**Location**

Market Lavington  
Woodborough  
Rushall  
Chirton  
Bishops Cannings  
All Cannings  
Lavington School

**Headteacher**

S Lowkis  
S Brewis  
S Ward  
A Bekker-Wrench  
C Vardy  
R Borman

**Independent auditor**

Moore (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

**Bankers**

Lloyds Bank Plc Devizes  
38 Market Place  
Devizes  
Wiltshire  
SN10 1JD

**Solicitors**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

# **EQUA MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

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The Trustees present their annual report together with the accounts and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 3-19 serving a catchment area in Wiltshire. It has a pupil capacity of 1,547 and had a roll of 1,429 in the school census in October 2019.

In November 2018, the Trust formerly changed its name from Lavington School Limited to Equa Multi Academy Trust Limited. In April 2019 the Trust converted from a Single Academy Trust (SAT) to a Multi Academy Trust (MAT).

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as Equa Multi Academy Trust, All Cannings Primary School, Bishops Cannings Primary School, Chirton Primary School, Lavington School, Rushall Primary School and Woodborough Primary School.

The Trustees of Equa Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every trustee or other officer of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him or her in that capacity in relation to the affairs of the Academy Trust. Equa Multi Academy Trust was a member of the DfE's Risk Protection Arrangement (RPA) throughout this period, giving unlimited liability in this regard.

##### Method of recruitment and appointment or election of trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

Terms of office last for four years and Trustees are subject to retirement by rotation but are eligible for re-selection at the meeting at which they retire. Trustee vacancies, are advertised in school newsletters, on the websites and via existing Trustees and contacts, including other organisations such as Parish Councils and the Salisbury Diocese. The Trustees were in office on 1 September 2018 and served until the end of the financial year 31 August 2019 except where indicated on the full list above.

# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

### Policies and procedures adopted for the induction and training of trustees

There is an induction process for new Trustees, including a tour of the schools in the Trust and the opportunity to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

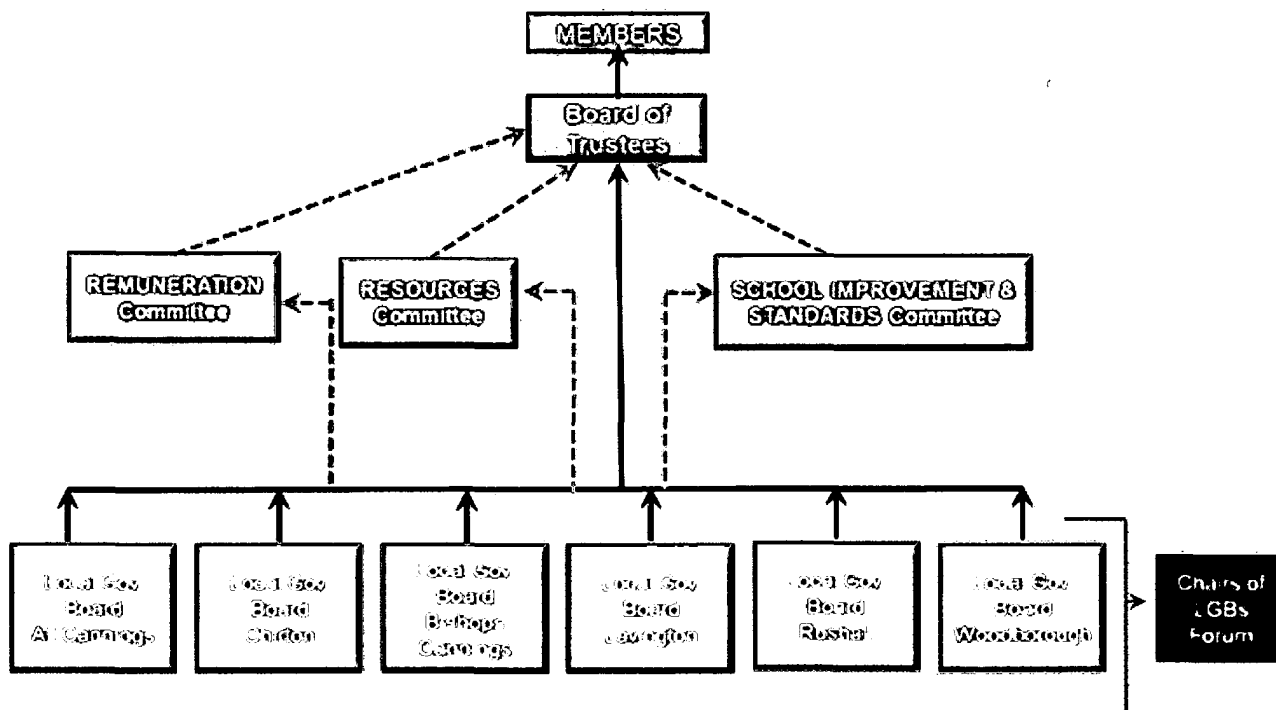
Training for Trustees includes:

- Briefings prior to full Trustees' meetings on topics relevant to all.
- In-house sessions for those Trustees with specific responsibilities (eg Child protection, special needs, finance etc).
- Access to a wide range of external courses. Individual Trustees have attended safeguarding and SEN courses as well as training for chairing meetings.

### Organisational structure

The Trust operates a Scheme of Delegation which can be viewed on the Trust website.

The Structure of the Trust and accountability lines is shown below:



### Arrangements for setting pay and remuneration of key management personnel

A remuneration committee, a subcommittee of the Board of Trustees, determines the pay and remuneration of Key management personnel and Headteachers in Trust schools.

Recommendations for pay are submitted after appraisal, by the Local Governing Bodies, Trustees, the CEO and external advisors.

# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the 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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### Related parties and other connected charities and organisations

Lavington School is a member of the West Wiltshire Alliance (WWA) which is a soft federation of secondary schools in Melksham, Trowbridge, Westbury, Warminster and Market Lavington. The WWA has successfully obtained grant funding which has supported the engagement of students during this period. In addition, schools in WWA have shared resources to run an alternative learning facility, staff training events and have liaised with universities to arrange trainee teacher placements at Lavington school.

Governance of the WWA is separate from that of the Lavington School and has no impact on school operating policies.

Lavington has strong links with its feeder schools in the surrounding villages and has operated a Primary PE programme for primary schools as well as hosting various sports festivals for primary schools. These have proved popular and successful and will be continued into next year.

The Primary Schools are members of various federations and groups.

Lavington School has a Sixth Form which is a Satellite of Devizes School (part of the White Horse Federation) to provide a Sixth Form learning facility from September 2018.

# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Objectives and activities**

#### Objects and aims

Our name Equa is based on the core belief in equity; every child has an equal right to access excellent education – **Every Child, Every Chance**.

Equa Multi Academy Trust is a group of good and outstanding schools, initially five primary and one secondary, providing excellence in education for children in rural Wiltshire, aged 2-19. Initially, like-minded schools came together in 2016, with a common goal of providing the best possible learning opportunities for children in Wiltshire market towns, and surrounding villages. Equa Multi Academy Trust formally launched on 1 April 2019.

Our strength lies in our passion to make a difference on a daily basis to the lives of young people. Each of our schools has its own distinctive ethos and values, and we share core values and beliefs. Our primary schools are the foundation, and in every church school we cherish and embrace the Christian distinctiveness, ethos and unique nature of the schools, so all children in the trust flourish through a culture of nurture.

School improvement is at our heart, we are always seeking ways to improve through effective working partnerships, to raise aspiration by providing exciting opportunities and enhancing strong academic outcomes through a holistic approach.

We know that by working together, within a formal structure, we are able to create a sustainable educational partnership that can work to produce strong outcomes to increase social mobility for disadvantaged learners and provide positive pathways through school and beyond.

#### Objectives, strategies and activities

**This is what we set out to do in April 2019**

Raise educational standards  
Increase opportunities  
Share services and expertise  
Develop Staff and their career pathways  
Improve financial efficiency

#### Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.



# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Strategic report

#### Achievements and performance

All Equa primary schools have bettered their KS2 performance in 2019.

ARE measure KS2	Equa average %	National average %
Reading	84	73
Writing	81	78
Mathematics	85	79
Combined	76	65

Above expectation	Equa average %	National average %
Reading	34.8	27
Writing	26.6	20
Mathematics	30.4	27
Combined	11.4	11

Lavington School remains a top performing academy – in the top 3 Wiltshire schools for 5 years running.

Measure	Lavington	National
Attainment 8	5.5	4.0
Progress 8	+0.43	0
E and M 4+	79	67
E and M 5+	60	45

#### Increased Opportunities and Improvements

- Wrap around care and extended provision established in all Primary Schools, including nursery provision in three.
- Forest schools provision in all schools.
- PE programme delivered by highly skilled PE specialist teachers.
- Able, gifted and talented combined programme.
- Specialist teachers providing curriculum delivery across all age groups eg. art in Rushall
- Improved and cheaper phone systems.
- Cheaper water and electricity contracts.
- Improved and cheaper IT and grounds contracts.
- Improved maintenance services.
- More efficient systems and processes.
- Improved facilities compliance.
- Better procurement for purchasing.
- Management of CIF bids and section 106 funding to provide new buildings and improve existing sites.

#### Improved Financial Efficiency

In January 2019, the 2019/20 budget submitted to the PSIB showed that the Trust was facing an in year deficit of £66,000.

The budget for 2019/20 currently stands at a surplus of £97,000.

#### 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 the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial review

This financial period has seen a significant improvement on finances from budgets.

Budgets set for the period showed that for 2018/19 the Trust was overall going to make a loss of £84,000, but the Trust has made an in year surplus of £55,000 (excluding restricted funds).

With reserves brought forward, closing reserves for the Trust are £649,000. A further £150,000 of this reserve has been committed to a new 2 classroom build in Lavington to accommodate additional pupils.

#### Reserves policy

The Trustees of Equa Multi Academy Trust plan for, manage and maintain an adequate level of financial reserves to meet the needs and identified risks of the organisation.

School reserves may be held for two main reasons

1. As contingency against financial risks and security
2. To meet planned commitments in future years.

The academy is mainly funded by grants from the department for education, the use of which is regulated by the academy's funding agreement. Funding is expected to be fully utilised in the accounting year for which it is provided, however funds are set aside for future use for both revenue and capital purposes.

Revenue reserves are maintained in separate restricted and unrestricted balances, in day to day terms both are considered in aggregate for managing the overall financial position of the academy. At the end of the 2019 financial year, the academy had available reserves of £764,205 (16.6% of GAG).

The governors accept that the reserves policy is not a static policy and have considered future plans, projects and other spending needs and anticipate that there are a number of future factors that will bring the level of reserves closer to the stated minimum target. The level of reserves and balances is monitored termly and details notified to the Governing Body.

#### Funds in deficit

In accounting for the Local Government Pension Scheme, the School recognises that there is a pension fund deficit which is included in restricted funds. The pension deficit will be dealt with by an increase in the employer's pension contribution over a period of years. Therefore, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the reserves of the School because of recognising the deficit.

#### Investment policy

Cash is held in interest earning bank accounts, but investment in higher earning accounts has not been considered due to the current poor return on secure investments. Trustees will review levels of cash held and consider putting this in a high-interest earning account if and when interest rates increase.

#### Principal risks and uncertainties

Title	Risk	Mitigation
Pupil progress	There is a risk that pupil progress is insufficient	Clear school improvement strategy. Centralised systems such as performance management, school improvement planning, data tracking and self-evaluation.
Stakeholder	Quality of service/product decreases and Academies, future growth partners and other stakeholders do not consider the Trust to provide a valuable, high quality service.	Effective stakeholder communication, on vision public profile, governance remains robust. Deployment of clear growth strategy.

# EQUA MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

Finance	There is a risk that the Trust cannot post a balanced budget	Oversight from resources committee. Improved triggers of intervention. Early intervention.
Pupil Recruitment	There is a risk that pupil numbers decline	Providing wrap around care and nursery provision. High standards which are well publicised. Clarity of vision and ethos and listening to stakeholder views. Maintaining high standards.
Staff Recruitment	There is a risk that the Trust fails to recruit high quality staff	
Staff Retention	Staff turnover is high and key staff members move on and are difficult to replace. Risk that knowledge and skills are lost	Staff voice, effective line management, investment in health and wellbeing, investment in career development.
Teaching & Learning	There is a risk that the quality of teaching and learning is inconsistent	Strong school improvement strategy, MAT improvement plan based on evidence, effective deployment of MAT middle leadership roles, monthly cross school staff meetings.
Ofsted	There is a risk that the Schools fail to maintain or increase their Ofsted rating	CEO, Trustees and HTs undertake training on new framework.
Curriculum	There is a risk that the school is unable to offer a broad a balanced curriculum that meets the needs of our pupils	MAT wide curriculum strategy and reporting format for intent, implementation and impact.
Governance	There is a risk that the school governors, MAT Trustees and members fail to provide the right level of governance and oversight	Use of NLG to review governance and to provide early intervention if there are short falls. Placing of strong governors in LGBs. Link trustee oversight.
IT Failure	There is a risk that the IT systems within the school fail	
CPD	There is a risk that available CPD does not meet the needs of the schools	Combined CPD in place, planned in advance and coherent with MAT improvement plan.
Political Pressures	There is a risk that political changes and pressures impact the education environment	Keep a watching brief.
Property	There is a risk that the school building are unable to operate in part or whole	Condition report on conversion. Use of external company to produce CIF bids.
Business continuity	There is a risk that CEO, CFO, HTs or SLT are absent for a period of time	Effective succession planning, talent spotting and upskilling of staff. Effective recruitment based on skills and potential.
Diversifying portfolio	There is a risk that expanding the portfolio, eg trading company, nurseries, sixth form, wrap around care, leave a financial and resource burden on central function. This must be balanced against the risk of not developing a diverse portfolio.	Effective due diligence and oversight of resources committee.
Compliance	There is a risk that the trust is non-compliant with premises, H and S, safeguarding, website, ESFA returns, companies house, AFH, charities commission	Effective oversight of Trustees.

# **EQUA MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Fundraising**

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

### **Plans for future periods**

Objectives 2019- 2022

#### **Objective 1:**

Deliver good or better educational outcomes in all schools across all abilities and every age range.

Measures:

- No mainstream school falls below national outcomes for 2020 results.
- High performing schools remain in the top 20%, compared to national outcomes.
- SEN/SEMH and disadvantaged outcomes are in line with national averages by 2020.
- All schools achieving at least 'Good' Ofsted ratings within the 2019 framework.
- Key Stage performance consistent with predicted levels (within 5% for secondary schools and 10% for primary schools).
- SIAMS outcomes to be at least good in all schools, with more gaining an outstanding judgment.

#### **Objective 2:**

Ensure Equa is a financially viable and sustainable MAT

Measures:

- Trust achieves overall annual surpluses
- All schools showing a surplus by 2020/21
- Clean audit reports
- External revenue of £50,000 by 2022
- Increase % utilisation of Number on Roll capacity

#### **Objective 3**

Grow Equa MAT to ensure short, medium and long term sustainability.

Measures:

- 3,000 pupils by Spring 2022
- Increase the NOR against capacity in each school, with an increase of 10% by September 2020 where schools are not at capacity.
- Increase the number of primary schools (3) within the trust by 2021.
- Have a further secondary school in place by Autumn 2021.

# **EQUA MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Objective 4**

Provide robust governance structures, policies and processes which secure the success of Equa

#### **Measures:**

- Trust board is stable, shown by annual turn-over of no more than 25%
- Appraisal process holds the CEO, DCEO and CFO to account and secures improvement across the MAT (shown through finances and pupil outcomes).
- Evaluation of the MAT leadership team shows it is a high performing team by September 2020.
- Evidence of constructive relationship between Trust Board and LGB's
- Evidence that policies are understood (eg by surveys) and complied with (sample checks).
- Evidence that Trust Board and Local Governing Body meetings are regularly held, with formal agendas, minutes etc.
- Evidence that Triggers of Intervention are actively monitored and acted upon.

### **Objective 5**

Embed EQUA into the community

#### **Measures:**

- Church schools continue to foster, enhance and nurture Christian values
- Stakeholders in the local community are actively engaged
- Stakeholder feedback from annual surveys is positive
- Schools have a highly visible and positive profile in the communities they serve
- External partnerships are created

### **Auditor**

In so far as the trustees are aware:

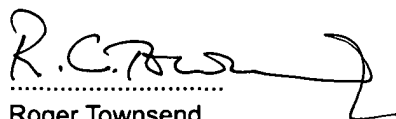
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors have been reappointed for a further year, and there has been continuity of their service since Lavington School became an academy in 2011.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12/12/19 and signed on its behalf by:



Sarah Lowkis  
CEO and Accounting Officer



Roger Townsend  
Chair from 1 April 2019

# EQUA MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of 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 Equa Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

- 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 Business Management 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;
- Identification and management of risks.

### Trustees

### Meetings attended Out of possible

#### Lavington School until 31st March 2019

Sarah Lowkis (CEO and Accounting Officer)	5	5
Mark Bartlett (Staff Trustee) (Resigned 31 March 2019)	3	5
Alex Holloway (Resigned 31 March 2019)	4	5
Steven Morse (Chair until 31 March 2019) (Resigned 31 March 2019)	4	5
Elanor Oddy (Resigned 31 March 2019)	3	5
Philip Salaman (Resigned 31 March 2019)	4	5
Elliot Wallace (Resigned 31 March 2019)	4	5
Justine Bland (Resigned 31 March 2019)	3	5
Pauline Guiney (Resigned 31 March 2019)	2	5
James Rosenegk (Resigned 31 March 2019)	2	5
Lorraine Stabbins (Resigned 31 March 2019)	1	5
Daniel Davies (Resigned 31 March 2019)	5	5
Michael Rees (Resigned 31 March 2019)	3	5

#### Equa Multi Academy Trust from 1st April 2019

Roger Townsend (Chair from 1 April 2019) (Appointed 1 April 2019)	4	4
Nicky Clarke (Vice Chair) (Appointed 1 April 2019)	4	4
Sarah Lowkis (CEO and Accounting Officer)	4	4
Crispin Haywood (Appointed 1 April 2019)	4	4
John Evans (Appointed 1 April 2019)	4	4
Patrick Hazlewood (Appointed 1 April 2019)	3	4
Paul White (Appointed 1 April 2019)	4	4
Mark Stevens (Appointed 1 April 2019)	2	4
Keith Clover (Appointed 4 September 2019)	2	2

# **EQUA MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Introducing more efficient and effective systems saving on back office costs.
- Renegotiating or terminating bad value contracts
- Better purchasing, bulk buying and getting quotes for goods where possible
- Renegotiating prices with suppliers to get better prices for goods
- More effective premises services delivered across the Trust to save on periodic inspections and compliance.
- Staff training and development to increase skills in the Trust to decrease reliance on external high priced services
- Increasing use of current resources by setting up wrap around care and Nurseries on current sites, also increasing income.
- Expanding the Secondary catering service by providing fresher and higher quality food, reducing costs, improving queuing times and variety of options, which has seen an increase in sales.

### **The purpose of the system of internal control**

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

### **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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. 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 Business Management 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;
- identification and management of risks.

# **EQUA MULTI ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The board of Trustees has considered the need for a specific internal audit function and has decided to appoint external trained accountants as internal auditors. This will commence in early 2020, but previously in this financial year a Responsible Officer has been in place.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

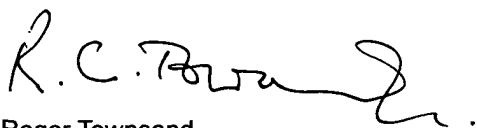
### **Review of effectiveness**

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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the team 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 and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12/12/19 and signed on its behalf by:



Roger Townsend  
Chair from 1 April 2019



# **EQUA MULTI ACADEMY TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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As accounting officer of Equa Multi Academy 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 2018.

I confirm that I and the academy trust's 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 2018.

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

Sarah Lowkis  
Accounting Officer

*Sarah Lowkis*

12/12/19

# EQUA MULTI ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of Equa Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

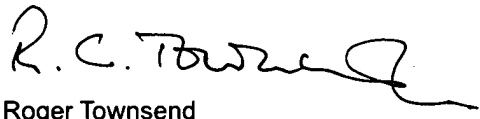
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on 12/12/19..... and signed on its behalf by:



Sarah Lowkis  
CEO and Accounting Officer



Roger Townsend  
Chair from 1 April 2019

# **EQUA MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUA MULTI ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinion**

We have audited the accounts of Equa Multi Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# **EQUA MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUA MULTI ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report, included within the trustees' 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 accounts 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.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the the directors of the academy trust for the purposes of company law) are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 trust, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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

# **EQUA MULTI ACADEMY TRUST**

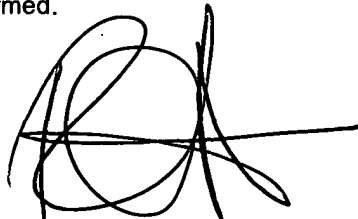
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUA MULTI ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Use of our report**

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



**Robert MacDonald (Senior Statutory Auditor)**  
**for and on behalf of Moore (South) LLP**

**Chartered Accountants**  
**Statutory Auditor**

*19<sup>th</sup> December 2019*  
.....

33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

# **EQUA MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EQUA MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equa Multi Academy Trust during the period 1 September 2018 to 31 August 2019 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 Equa Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Equa Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Equa Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Equa Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Equa Multi Academy Trust's funding agreement with the Secretary of State for Education dated 06 December 2010 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

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

## Conclusion

Moore (South) LLP

**Reporting Accountant**

Moore (South) LLP

Dated: 19th December 2019

# EQUA MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	74,902	-	253,277	328,179	185,452
Donations - transfer from local authority on conversion	25	213,926	(462,000)	60,671	(187,403)	-
Charitable activities:						
- Funding for educational operations	4	-	5,212,642	-	5,212,642	3,671,315
Other trading activities	5	413,678	185,383	-	599,061	373,187
Investments	6	418	-	-	418	369
<b>Total</b>		<u>702,924</u>	<u>4,936,025</u>	<u>313,948</u>	<u>5,952,897</u>	<u>4,230,323</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	738,979	5,374,341	262,462	6,375,782	4,489,492
<b>Total</b>	7	<u>738,979</u>	<u>5,374,341</u>	<u>262,462</u>	<u>6,375,782</u>	<u>4,489,492</u>
<b>Net income/(expenditure)</b>		(36,055)	(438,316)	51,486	(422,885)	(259,169)
Transfers between funds	17	-	181,606	(181,606)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(497,000)	-	(497,000)	303,000
<b>Net movement in funds</b>		(36,055)	(753,710)	(130,120)	(919,885)	43,831
<b>Reconciliation of funds</b>						
Total funds brought forward		151,277	93,693	10,338,100	10,583,070	10,539,239
Total funds carried forward		115,222	(660,017)	10,207,980	9,663,185	10,583,070



# EQUA MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	6,933	12,705	165,814	185,452
Charitable activities:					
- Funding for educational operations	4	-	3,671,315	-	3,671,315
Other trading activities	5	192,897	180,290	-	373,187
Investments	6	369	-	-	369
<b>Total</b>		<b>200,199</b>	<b>3,864,310</b>	<b>165,814</b>	<b>4,230,323</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	156,473	4,074,849	258,170	4,489,492
<b>Total</b>	7	<b>156,473</b>	<b>4,074,849</b>	<b>258,170</b>	<b>4,489,492</b>
<b>Net income/(expenditure)</b>		<b>43,726</b>	<b>(210,539)</b>	<b>(92,356)</b>	<b>(259,169)</b>
Transfers between funds	17	-	(10,054)	10,054	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	303,000	-	303,000
<b>Net movement in funds</b>		<b>43,726</b>	<b>82,407</b>	<b>(82,302)</b>	<b>43,831</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		107,551	11,286	10,420,402	10,539,239
Total funds carried forward		151,277	93,693	10,338,100	10,583,070

# EQUA MULTI ACADEMY TRUST

## BALANCE SHEET

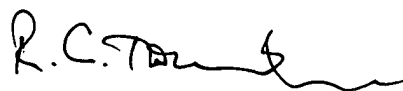
AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	10,161,505	10,298,012
<b>Current assets</b>			
Debtors	14	352,801	187,672
Cash at bank and in hand		722,239	563,082
		<u>1,075,040</u>	<u>750,754</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	<u>(264,360)</u>	<u>(254,696)</u>
<b>Net current assets</b>		<u>810,680</u>	<u>496,058</u>
<b>Net assets excluding pension liability</b>		<u>10,972,185</u>	<u>10,794,070</u>
Defined benefit pension scheme liability	19	<u>(1,309,000)</u>	<u>(211,000)</u>
<b>Total net assets</b>		<u><u>9,663,185</u></u>	<u><u>10,583,070</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		10,207,980	10,338,100
- Restricted income funds		648,983	304,693
- Pension reserve		<u>(1,309,000)</u>	<u>(211,000)</u>
<b>Total restricted funds</b>		<u>9,547,963</u>	<u>10,431,793</u>
<b>Unrestricted income funds</b>	17	<u>115,222</u>	<u>151,277</u>
<b>Total funds</b>		<u><u>9,663,185</u></u>	<u><u>10,583,070</u></u>

The accounts on pages 22 to 47 were approved by the trustees and authorised for issue on 12/12/19 and are signed on their behalf by:



Sarah Lowkis  
CEO and Accounting Officer



Roger Townsend  
Chair from 1 April 2019

Company Number 07452837

# EQUA MULTI ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20	(280,828)		(37,216)	
Cash funds transferred on conversion		312,245		-	
		<u>31,417</u>		<u>(37,216)</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		418		369	
Capital grants from DfE Group		244,324		160,428	
Capital funding received from sponsors and others		8,953		5,386	
Purchase of tangible fixed assets		(125,955)		(145,780)	
Proceeds from sale of tangible fixed assets		-		10,000	
		<u>127,740</u>		<u>30,403</u>	
<b>Net cash provided by investing activities</b>					
			127,740		30,403
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			159,157		(6,813)
Cash and cash equivalents at beginning of the year			563,082		569,895
<b>Cash and cash equivalents at end of the year</b>			<u>722,239</u>		<u>563,082</u>

# **EQUA MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

Equa Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

#### **1.1 Basis of preparation**

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

#### **1.3 Income**

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

##### Grants

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

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

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

##### Donations

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

# EQUA MULTI ACADEMY TRUST

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

### 1 Accounting policies

(Continued)

#### Other income

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

#### Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Long leasehold land and buildings	50 years
Assets under construction	Not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	3 years

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

# EQUA MULTI ACADEMY TRUST

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

### 1 Accounting policies

(Continued)

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.11 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation refer to Note 12 for further detail of this estimation.

The value of the donation of occupying Diocese property rent free has also been considered. A notional rental value has not been included as it cannot be reliably measured.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	244,324	244,324	160,428
Other donations	74,902	8,953	83,855	25,024
	<u>74,902</u>	<u>253,277</u>	<u>328,179</u>	<u>185,452</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,592,798	4,592,798	3,379,418
DfE teaching grants	-	42,780	42,780	-
Other DfE group grants	-	369,053	369,053	144,542
	<u>-</u>	<u>5,004,631</u>	<u>5,004,631</u>	<u>3,523,960</u>
<b>Other government grants</b>				
Local authority grants	-	108,201	108,201	119,449
Other government grants	-	99,810	99,810	27,906
	<u>-</u>	<u>208,011</u>	<u>208,011</u>	<u>147,355</u>
<b>Total funding</b>	<u>-</u>	<u>5,212,642</u>	<u>5,212,642</u>	<u>3,671,315</u>



# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities/Music Fees	84,438	-	84,438	51,135
Catering income	-	184,374	184,374	179,182
Other restricted income	-	1,009	1,009	1,108
School Fund Activities income	293,864	-	293,864	141,762
Other income	35,376	-	35,376	-
	<u>413,678</u>	<u>185,383</u>	<u>599,061</u>	<u>373,187</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	418	-	418	369
	<u>418</u>	<u>-</u>	<u>418</u>	<u>369</u>

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	3,763,090	262,462	411,966	4,437,518	3,360,175
- Allocated support costs	799,159	449,430	689,675	1,938,264	1,129,317
	<u>4,562,249</u>	<u>711,892</u>	<u>1,101,641</u>	<u>6,375,782</u>	<u>4,489,492</u>

#### Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	10,000	6,000
- Other services	1,500	1,519
- Accounts	2,500	1,450
Operating lease rentals	21,063	22,964
Depreciation of tangible fixed assets	262,462	266,108
Gain on disposal of fixed assets	-	(7,938)
Net interest on defined benefit pension liability	12,000	11,000
	<u>290,025</u>	<u>266,503</u>

# EQUA MULTI ACADEMY TRUST

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

### 8 Central services

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

- Human resources;
- Financial services;
- Legal services;
- Educational support services;
- MIS systems;
- Trust wide training days;
- Premises service.

The academy trust charges for these services at 4.5% GAG income.

The amounts charged during the year were as follows:

	2019 £	2018 £
Lavington School	68,540	-
Woodborough CofE Primary School	12,675	-
Rushall CofE Primary School	8,580	-
Chirton CofE Primary School	6,075	-
Bishops Cannings CofE Primary School	13,350	-
All Cannings CofE Primary School	10,710	-
Equa Multi Academy Trust	-	-
	<u>119,930</u>	<u>-</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	445,331	3,992,187	4,437,518	3,360,175
<b>Support costs</b>				
Educational operations	293,648	1,644,616	1,938,264	1,129,317
	<u>738,979</u>	<u>5,636,803</u>	<u>6,375,782</u>	<u>4,489,492</u>

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Charitable activities

(Continued)

Analysis of costs	2019	2018
	£	£
<b>Direct costs</b>		
Teaching and educational support staff costs	3,763,090	2,693,124
Staff development	17,700	9,925
Depreciation	262,462	258,170
Technology costs	62,754	159,629
Educational supplies and services	64,403	96,756
Examination fees	51,320	60,287
Educational consultancy	17,105	9,959
Other direct costs	198,684	72,325
	<u>4,437,518</u>	<u>3,360,175</u>
<b>Support costs</b>		
Support staff costs	801,870	592,479
Technology costs	-	2,915
Recruitment and support	16,330	8,286
Maintenance of premises and equipment	286,037	108,464
Cleaning	44,717	10,267
Energy costs	57,344	48,035
Rent, rates and other occupancy costs	42,832	28,038
Insurance	18,500	15,442
Security and transport	30,059	10,840
Catering	166,671	103,059
Finance costs	12,000	11,000
Other support costs	376,129	158,560
Governance costs	85,775	31,932
	<u>1,938,264</u>	<u>1,129,317</u>

# EQUA MULTI ACADEMY TRUST

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

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,445,511	2,480,338
Social security costs	307,415	220,471
Pension costs	759,341	526,119
Amounts paid to employees	4,512,267	3,226,928
Agency staff costs	49,982	50,758
Amounts paid to staff	4,562,249	3,277,686
Staff development and other staff costs	20,411	17,842
Total staff expenditure	4,582,660	3,295,528

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	78	46
Administration and support	102	51
Management	10	7
	190	104

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	5	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £329,576 (2018 £495,215).

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 11 Trustees' remuneration and expenses

The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. During the year, no expenses were reimbursed to trustees.

The value of trustees' remuneration was as follows:

M Bartlett (Staff and Trustee, Resigned 31/03/2019)

Salary £25,001 - £30,000 (2018: £40,001 - £45,000, full year)

Pension Contributions £0 - £5,000 (2018: £5,001 - £10,000 full year)

S Lowkis (CEO and Trustee)

Salary £80,001 - £85,000 (2018: £75,001 - £80,000)

Pension Contributions £10,001 - £15,000 (2018: £10,001 - £15,000)

Other related party transactions involving the trustees are set out within the related parties note.

#### 12 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 trust 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.

#### 13 Tangible fixed assets

	Long leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2018	11,857,271	-	325,414	250,709	12,433,394
Additions	-	56,000	11,740	58,215	125,955
At 31 August 2019	11,857,271	56,000	337,154	308,924	12,559,349
<b>Depreciation</b>					
At 1 September 2018	1,741,504	-	304,760	89,118	2,135,382
Charge for the year	209,115	-	15,984	37,363	262,462
At 31 August 2019	1,950,619	-	320,744	126,481	2,397,844
<b>Net book value</b>					
At 31 August 2019	9,906,652	56,000	16,410	182,443	10,161,505
At 31 August 2018	10,115,767	-	20,654	161,591	10,298,012

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Tangible fixed assets

(Continued)

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education & Skills Funding Agency as at the 31 August 2012. The land is valued at £1,505,969 and the buildings at £10,112,351. The Academy has not obtained a separate valuation. The Academy did not consider it an effective use of public funds to obtain an additional valuation. The property is insured under the RPA scheme and therefore does not have a separate insurance value.

All Cannings CofE Primary School, Bishops Cannings CofE Primary School, Chirton CofE Primary School, Rushall CofE Primary School and Woodborough CofE Primary School land and buildings are not included in the accounts as they are Church owned and operated by the Trust on a Church Supplementary Agreement. A notional rent value has not been included.

14 Debtors	2019 £	2018 £
Trade debtors	78,950	-
VAT recoverable	125,949	50,177
Other debtors	81,777	149
Prepayments and accrued income	66,125	137,346
	<u>352,801</u>	<u>187,672</u>

15 Creditors: amounts falling due within one year	2019 £	2018 £
Trade creditors	75,425	12,783
Other taxation and social security	101,384	-
Other creditors	16,411	-
Accruals and deferred income	71,140	241,913
	<u>264,360</u>	<u>254,696</u>

# EQUA MULTI ACADEMY TRUST

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

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16	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	50,996	110,909
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2018	110,909	65,819
	Released from previous years	(110,909)	(65,819)
	Resources deferred in the year	50,996	110,909
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2019</b>	<b>50,996</b>	<b>110,909</b>
		<u>          </u>	<u>          </u>

At the balance sheet date the academy trust was holding funds received in advance for the following;

Trip and student Deposits	£ 3,732
Catering Income	£ 7,188
UIFSM Grant	£40,076

# EQUA MULTI ACADEMY TRUST

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

### 17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	304,693	4,592,798	(4,430,114)	181,606	648,983
Other DfE / ESFA grants	-	411,833	(411,833)	-	-
Other government grants	-	208,011	(208,011)	-	-
Other restricted funds	-	185,383	(185,383)	-	-
Pension reserve	(211,000)	(462,000)	(139,000)	(497,000)	(1,309,000)
	<u>93,693</u>	<u>4,936,025</u>	<u>(5,374,341)</u>	<u>(315,394)</u>	<u>(660,017)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	-	60,671	-	(60,671)	-
DfE group capital grants	10,338,100	244,324	(262,462)	(111,982)	10,207,980
Private sector capital sponsorship	-	8,953	-	(8,953)	-
	<u>10,338,100</u>	<u>313,948</u>	<u>(262,462)</u>	<u>(181,606)</u>	<u>10,207,980</u>
<b>Total restricted funds</b>	<u>10,431,793</u>	<u>5,249,973</u>	<u>(5,636,803)</u>	<u>(497,000)</u>	<u>9,547,963</u>
<b>Unrestricted funds</b>					
General funds	97,914	409,060	(391,752)	-	115,222
School Fund Activities	53,363	293,864	(347,227)	-	-
	<u>151,277</u>	<u>702,924</u>	<u>(738,979)</u>	<u>-</u>	<u>115,222</u>
<b>Total funds</b>	<u>10,583,070</u>	<u>5,952,897</u>	<u>(6,375,782)</u>	<u>(497,000)</u>	<u>9,663,185</u>

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

The fixed asset fund was created with the donation of the schools land and buildings to the academy. Additional assets are added to the fund which is also written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the academy, and other related DfE of other authority grants.

Unrestricted funds are general donations and fund raising activities of the academy and are used to support the provision of education within the academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.



# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	411,903	3,379,418	(3,476,574)	(10,054)	304,693
Other DfE / ESFA grants	3,000	144,542	(147,542)	-	-
Other government grants	6,383	147,355	(153,738)	-	-
Other restricted funds	-	192,995	(192,995)	-	-
Pension reserve	(410,000)	-	(104,000)	303,000	(211,000)
	<u>11,286</u>	<u>3,864,310</u>	<u>(4,074,849)</u>	<u>292,946</u>	<u>93,693</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	10,420,402	160,428	(258,170)	15,440	10,338,100
Solar Panel FITT	-	5,386	-	(5,386)	-
	<u>10,420,402</u>	<u>165,814</u>	<u>(258,170)</u>	<u>10,054</u>	<u>10,338,100</u>
<b>Total restricted funds</b>	<u>10,431,688</u>	<u>4,030,124</u>	<u>(4,333,019)</u>	<u>303,000</u>	<u>10,431,793</u>
<b>Unrestricted funds</b>					
General funds	71,589	58,437	(32,112)	-	97,914
School Fund Activities	35,962	141,762	(124,361)	-	53,363
	<u>107,551</u>	<u>200,199</u>	<u>(156,473)</u>	<u>-</u>	<u>151,277</u>
<b>Total funds</b>	<u>10,539,239</u>	<u>4,230,323</u>	<u>(4,489,492)</u>	<u>303,000</u>	<u>10,583,070</u>

# EQUA MULTI ACADEMY TRUST

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

### 17 Funds

(Continued)

#### Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Lavington School	507,949	455,970
Woodborough CofE Primary School	67,656	-
Rushall CofE Primary School	8,655	-
Chirton CofE Primary School	67,205	-
Bishops Cannings CofE Primary School	19,275	-
All Cannings CofE Primary School	78,763	-
Equa Multi Academy Trust	14,702	-
Total before fixed assets fund and pension reserve	764,205	455,970
Restricted fixed asset fund	10,207,980	10,338,100
Pension reserve	(1,309,000)	(211,000)
Total funds	9,663,185	10,583,070

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Lavington School	2,711,875	504,315	266,005	976,883	4,459,078	4,127,322
Woodborough CofE Primary School	244,722	24,913	53,788	51,498	374,921	-
Rushall CofE Primary School	175,034	22,028	27,921	55,070	280,053	-
Chirton CofE Primary School	100,001	24,226	5,213	27,900	157,340	-
Bishops Cannings CofE Primary School	309,039	35,931	26,453	67,157	438,580	-
All Cannings CofE Primary School	176,381	35,550	27,572	39,473	278,976	-
Equa Multi Academy Trust	46,038	27,908	5,015	26,341	105,302	-
	3,763,090	674,871	411,967	1,244,322	6,094,250	4,127,322

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	10,161,505	10,161,505
Current assets	115,222	913,343	46,475	1,075,040
Creditors falling due within one year	-	(264,360)	-	(264,360)
Defined benefit pension liability	-	(1,309,000)	-	(1,309,000)
<b>Total net assets</b>	<b>115,222</b>	<b>(660,017)</b>	<b>10,207,980</b>	<b>9,663,185</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	10,298,012	10,298,012
Current assets	252,072	458,594	40,088	750,754
Creditors falling due within one year	(100,795)	(153,901)	-	(254,696)
Defined benefit pension liability	-	(211,000)	-	(211,000)
<b>Total net assets</b>	<b>151,277</b>	<b>93,693</b>	<b>10,338,100</b>	<b>10,583,070</b>

### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

# EQUA MULTI ACADEMY TRUST

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

### 19 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £405,599 (2018: £296,367).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.5 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £226,000.

The Academy has agreed to pay the default contributions rates using contribution rate relief, these future rates are as follows:

Period	Employer Contribution Rate
2019/2020	26.2%

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.

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

(Continued)

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The local government pension scheme is in deficit by £1,309,000, no additional contributions are made to this scheme over and above the required employer and employee contributions.

Total contributions made	2019 £	2018 £
Employer's contributions	223,000	135,000
Employees' contributions	49,000	32,000
Total contributions	272,000	167,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.4	22.5
- Females	23.7	24.9
Retiring in 20 years		
- Males	22.3	24.1
- Females	25.1	26.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate -0.5%	570	279
CPI rate +0.5%	498	237
Salary increase rate +0.5%	62	39

### Defined benefit pension scheme net liability

Scheme assets	3,813,000	2,429,000
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# EQUA MULTI ACADEMY TRUST

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

<b>19 Pension and similar obligations</b>	<b>(Continued)</b>	
Scheme obligations	(5,122,000)	(2,640,000)
Net liability	(1,309,000)	(211,000)
<b>The academy trust's share of the assets in the scheme</b>		
	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	2,707,230	1,724,590
Bonds	533,820	340,060
Cash	76,260	48,580
Property	495,690	315,770
Total market value of assets	3,813,000	2,429,000
The actual return on scheme assets was £225,000 (2018: £193,000).		
<b>Amount recognised in the Statement of Financial Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	108,000	93,000
Past service cost	19,000	-
Interest income	(82,000)	(55,000)
Interest cost	94,000	66,000
Total operating charge	139,000	104,000
<b>Changes in the present value of defined benefit obligations</b>		<b>2019</b>
		<b>£</b>
At 1 September 2018		2,640,000
Obligations acquired on conversion		1,524,000
Current service cost		331,000
Interest cost		94,000
Employee contributions		49,000
Actuarial loss/(gain)		640,000
Benefits paid		(175,000)
Past service cost		19,000
At 31 August 2019		5,122,000

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

(Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

	2019 £
At 1 September 2018	2,429,000
Assets acquired on conversion	1,062,000
Interest income	82,000
Actuarial gain	143,000
Employer contributions	223,000
Employee contributions	49,000
Benefits paid	(175,000)
At 31 August 2019	3,813,000

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

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(422,885)	(259,169)
Adjusted for:		
Net deficit on conversion to academy	187,403	-
Capital grants from DfE and other capital income	(253,277)	(165,814)
Investment income receivable	(418)	(369)
Defined benefit pension costs less contributions payable	127,000	93,000
Defined benefit pension scheme finance cost	12,000	11,000
Depreciation of tangible fixed assets	262,462	266,108
(Loss)/profit on disposal of fixed assets	-	(7,938)
(Increase) in debtors	(165,129)	(85,788)
Increase in creditors	9,664	111,754
Stocks, debtors and creditors transferred on conversion	(37,648)	-
<b>Net cash used in operating activities</b>	<b>(280,828)</b>	<b>(37,216)</b>

# EQUA MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	21,668	22,195
Amounts due in two and five years	27,256	43,883
	<u>48,924</u>	<u>66,078</u>

### 22 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	-	42,247
	<u>-</u>	<u>42,247</u>

The academy had ongoing capital works as at 31 August 2018 in relation to replacement of fire alarms and emergency lighting, this will be fully funded by the capital improvement funding and capital maintenance grant.

### 23 Related party transactions

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

#### Expenditure Related Party Transaction

Learning Futures (West Wilts) Limited a charitable company of which Sarah Lowkis has less than 20 percent voting power:

The academy trust paid £440 (2018: £13,438) to Learning Futures (West Wilts) Limited for training for Lavington staff members (2018: for the placement of one pupil, contributions towards meeting costs and the running of the company).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

### 24 Members' liability

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



# EQUA MULTI ACADEMY TRUST

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

### 25 Conversion to an academy

On 1 April 2019 All Cannings CofE Primary School, Bishops Cannings CofE Primary School, Chirton CofE Primary School, Rushall CofE Primary School and Woodborough CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Equa Multi Academy Trust from the Wiltshire Local Authority for £nil consideration.

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

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

Academy	Location		Date of conversion	
Woodborough CofE Primary School	Woodborough		1 April 2019	
Rushall CofE Primary School	Rushall		1 April 2019	
Chirton CofE Primary School	Chirton		1 April 2019	
Bishops Cannings CofE Primary School	Bishops Cannings		1 April 2019	
All Cannings CofE Primary School	All Cannings		1 April 2019	

	All Cannings	Bishops Cannings	Chirton	Rushall	Wood- borough	Trust	Total
	£	£	£	£	£	£	£
<b>Net assets transferred:</b>							
Cash	77,109	87,043	59,489	33,354	55,250		312,245
Pension scheme deficit						(462,000)	(462,000)
Current debtors	21,630	6,073	3,827	18,720	43,689		93,939
Current liabilities	(29,454)	(31,848)	(8,957)	(19,410)	(41,918)		(131,587)
	<u>69,285</u>	<u>61,268</u>	<u>54,359</u>	<u>32,664</u>	<u>57,021</u>	<u>(462,000)</u>	<u>(187,403)</u>

	Unrestricted Funds	Restricted funds:		Total 2019
	£	General	Fixed asset	£
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	60,671	60,671
LA budget funds	213,926	-	-	213,926
LGPS pension funds	-	(462,000)	-	(462,000)
	<u>213,926</u>	<u>(462,000)</u>	<u>60,671</u>	<u>(187,403)</u>

The land and buildings occupied by all converting primary schools are subject to Church Supplementary Agreements therefore no values have been transferred into the Trust.