

Registered number: 10279606

**EQUALS TRUST**

**(A company limited by guarantee)**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2017**

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**EQUALS TRUST**  
**(A company limited by guarantee)**

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

<b>Members</b>	S Kingan (appointed 14 July 2016) D Blackman (appointed 14 July 2016) A Demetriou (appointed 14 July 2016) A Beaumont (appointed 14 July 2016) A Devlin (appointed 14 July 2016)
<b>Trustees</b>	P Foale, Chair (appointed 14 July 2016) D Johnson, Vice Chair (appointed 14 July 2016) K Lavender, Chair of Finance & Audit Committee (appointed 14 July 2016) P Palmer, CEO & Accounting Officer (appointed 7 September 2016) B Walker (appointed 14 July 2016) S Jaques (appointed 14 July 2016) L Morley (appointed 14 July 2016) W Williams (appointed 14 July 2016) C Keast (appointed 7 September 2016) T Cook (appointed 7 September 2016, resigned 16 November 2016) A Demetriou (appointed 7 September 2016)
<b>Company secretary</b>	C Cox
<b>Trust finance manager</b>	O Phillips (CFO)
<b>Leadership group</b>	P Palmer, CEO, Executive Head Teacher J Cook, Head of School L Hussey, Head of School L Noble, Head Teacher A Board, Head Teacher P Cresswell, Executive Head Teacher R Gilbey, Head Teacher
<b>Company name</b>	Equals Trust
<b>Principal and registered office</b>	Keyworth Primary And Nursery School Nottingham Road Keyworth Nottingham NG12 5FB
<b>Company registered number</b>	10279606

**EQUALS TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Independent auditor**      PKF Cooper Parry Group Limited  
Chartered Accountants  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

**Bankers**                      Lloyds Banking Group  
12-16 Lower Parliament Street  
Nottingham  
NG1 3DA

**Solicitors**                  Stone King LLP  
1 Aire Street  
Leeds  
LS1 4PR

**EQUALS TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 14 July 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Equals Trust ('The Trust') operates seven primary academies across the boroughs of Rushcliffe and Gedling within Nottinghamshire. It has a pupil capacity of 2,070 and had a roll of 1,906 in the January 2017 school census.

**Structure, governance and management**

**a. 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 trustees of Equals Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Equals Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

The academy was incorporated on 14 July 2016 and commenced trading on that date.

**b. Members' liability**

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

**c. Trustees' indemnities**

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

**d. Method of recruitment and appointment or election of Trustees**

The company's Memorandum and Articles are the primary governing documents of the Academy. Upon incorporation, Members of the Academy were nominated by the Secretary of State for Education. Any future Members are appointed by the existing Members of the Trust.

The Articles of Association allow the members to appoint, by ordinary resolution, up to 10 Trustees. Trustees are appointed by members using a skills-based assessment in order that the Board achieves a balance skill set that will aid the development of the Trust.

**e. Policies and procedures adopted for the induction and training of Trustees**

The Trust Administration and Governance Manager manages the induction and training for new Trustees and ensures that all Trustees have access to all relevant information in order to adequately fulfil their role.

A governors briefing is held annually for Local Governing Body members in order to communicate the direction of the Trust and aid the development of governance as the Trust develops.

**EQUALS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**f. Organisational structure**

The management structure consists of four levels: the members, trustees and the appointed committees, the senior management of the trust and local governing bodies. The aim of this structure is to devolve responsibility to those best able to make the appropriate decisions.

The Trustees support the senior management team and the community in the running of each member school, and do not run the Trust on a day-to-day basis. Along with this governance role the trustees are there to set the strategic direction and fulfil their statutory obligations by setting policies and procedures and to be ambassadors for the Trust and its member schools and what they are trying to achieve.

The senior management team, referred to as the Leadership Group, is chaired by the CEO and is responsible for the day-to-day operations of Equals Trust. In line with the latest edition of the Academies Financial Handbook, the CEO has delegated financial responsibilities to the Trust Finance Manager (CFO), governance responsibilities to the Trust Administration and Governance Manager and teaching and learning responsibilities to the Leadership Group, which consists of Executive Head Teachers, Head Teachers and Heads of School from each member academy.

Responsibilities and authorities are delegated to the local governing bodies via the Trust's scheme of delegation. The governors of each member academy are primarily responsible for monitoring the performance of their academy, focusing on academy standards and leadership.

**g. Pay policy for key management personnel**

The Board of Directors has overall responsibility for pay and remuneration of key management personnel and is currently developing a Trust-wide process to enable local governing bodies to communicate effectively their recommendations and proposals for Head Teachers whilst maintaining a suitable level of rigour and oversight over associated performance targets and reviews.

The Board of Directors appoints all non-teaching members of the leadership group and remuneration is set on appointment. The Board seeks relevant human resource advice where necessary to ensure that remuneration is appropriate and in line with the principles of best value and the latest edition of the Academies Financial Handbook.

The Head Teachers or Executive Heads appoint senior leaders in each member academy, in conjunction with local governing body approval. Remuneration is reviewed annually as part of the Trust's established timetables for performance review and reported to the local governing bodies as necessary.

**h. Connected organisations, including related party relationships**

Each member academy works collaboratively with the local authority, other academy trusts, maintained schools, community organisations and parents to deliver better outcomes of all pupils.

Equals Trust owns 100% of the share capital of Equals Trading Company Ltd. This company was dormant for the year ending 31 August 2017.

**EQUALS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Objectives and Activities**

**a. Objects and aims**

Equals Trust is a primary phase multi-academy trust based on the principle of equality, founded with the aim of allowing member schools to maintain their ethos and unique identities within a tight local network, with strong mutual accountability, shared support services and a strong collaborative approach to staff development and school improvement.

We work collaboratively together with a clear purpose and direction, where:

- teaching and learning are at the centre of all we do;
- children enjoy, and are engaged in, a curriculum that challenges and excites them;
- we develop responsible citizens who value diversity;
- we ensure a culture of high expectations amongst all our children;
- children value themselves and each other, developing the self-confidence and resilience to face future challenges;
- contributions made by all stakeholders are valued.

We work effectively in school partnerships to enhance our provision by:

- extending the learning opportunities and activities for pupils;
- enriching the curriculum through partnership working and shared resources;
- enabling the greater sharing of excellent teaching and learning;
- enhancing the professional development of teaching and support staff;
- building mutual support and accountability for Head Teachers and Governors;
- securing cost and resource efficiencies through joint commissioning.

During the period ending 31 August 2017 the principal activity of the charitable company was the operation of seven primary-phase academies across the Rushcliffe and Gedling areas of Nottinghamshire. In operating these academies, the charitable company entered into a series of funding agreements with the Secretary of State for Education. The agreements specify, amongst other things, the basis for admitting students to the academies, the catchment areas from which the students are drawn, and that the curriculum should develop the substance of the national curriculum.

**EQUALS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**b. Objectives, strategies and activities**

The Trust has developed a three year strategic plan that highlights the ways in which the Trust will deliver its vision and values whilst adapting to wider changes in the education sector.

**Strategic Aims for Equals Trust**

**Financial Strategy and Controls**

- To identify and develop new and existing expertise and resources across the Trust to ensure their efficient and effective use for all member schools.
- To encourage and develop optimum school to school support.
- To embed and review a clear funding strategy for the Trust and its member schools.
- To develop key functions to provide central services to member schools, such as estate management, finance and school improvement.
- To develop and implement clear schemes of delegation and levels of accountability.
- Audit, evaluate and develop a shared data management system to ensure consistency of reporting across the Trust.
- Implement and monitor the contribution for Trust services from each member school on an annual basis.
- Work closely with the Local Authority, academy trusts and other local schools to understand the range of solutions that can be achieved for problems and issues faced across the entire education sector.

**Strategy for Growth**

- Develop a clear strategy for growth to include the rate of growth, optimum number of academies at each stage and the balance of primary/secondary and sponsored/converter/free school.
- Review governance, leadership and business structure of Equals Trust when new schools join the Trust.
- Identify key services required by Academies joining Equals Trust and develop clear specifications for commissioning such services.
- Develop central services in line with a clear financial strategy according to the identified need of the members of Equals Trust.
- Develop an estates plan and programme for capital expenditure in line with the growth strategy and needs of the Trust.
- Identify the information technology needs within each member academy and develop an IT infrastructure in line with these needs and the growth strategy.
- Identify and develop strategies for growth in additional provisions, such as nursery, holiday and breakfast clubs.

**Communications**

- Develop a clear public relations strategy that encompasses national, regional and local media.
- Develop a media crisis strategy and ensure all key staff are aware of protocols in the event of press enquiries.
- Identify and develop a range of marketing platforms, such as websites and social media.
- Development consistent procedures for gathering feedback and enquiries, both internally and externally.
- Ensure all internal communications are appropriate, co-ordinated and accessible.



**EQUALS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Strategic Aims for Equals Trust and Member Schools**

**Vision and Values**

- In order to embed and promote a culture of collaborative working and continuing school improvement, each member school must accept the vision and values of Equals Trust.
- Empower Head Teachers to focus on the core values of teaching and learning through efficient and effective use of resources and the implementation of strong support functions.

**Achievements, Personal Development and Welfare**

- High standards of achievement are expected at all schools. All schools will be high performing.
- All schools will listen to the views of staff, students, parents to encourage our vision of collaborative teaching and learning.
- Equals Trust endeavours to promote an enjoyable working environment in which staff development is identified and nurtured.

**Quality assurance and data**

- All aspects of teaching and learning are quality assured both through internal and external mechanisms.
- Quality assurance is consistently applied and monitored across all member schools.
- Effective and achievable school improvement strategies, monitored by the Board of Directors and Local Governing Bodies, in each member school.

**Governance**

- Local Governing Bodies are accountable to the Board of Directors and there are checks and guidance to support this process.
- Local Governing Bodies feel empowered to perform their roles for the benefit of each individual school and the Trust.

**Workforce Strategy**

- Equals Trust employ all staff to a designated school with opportunities to work across the Trust if requested.
- Equals Trust will encourage appropriate levels of continuing professional development across all staff where possible.
- Common employment practices implemented across the Trust, recognising the fact that new schools joining the Trust may come with varying Human Resource issues.

**EQUALS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**c. Public benefit**

The objects of Equals Trust are to advance for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or education.

Equals Trust will promote for the benefit of such inhabitants or the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need for such facilities by reason of their youth, age, infirmity of disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commissions' general guidance on public benefits, "Charities and Public Benefit".

**Employees and Disabled Persons**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the Trust estate where possible. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making resources available and through training and continuing professional development. The Trust has inherited a large estate from the Local Authority with significant legacy issues in some areas, as such accessibility will form a crucial part of the Trust's own strategic estate management plan.

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

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

**Analysis of Key Stage 2 SATS 2017**

This cohort was the second to experience new SATs and assessment arrangements at the end of KS2 in Summer 2017.

**Cohort Summary**

- 267 pupils in total (144 boys /123 girls).
- 18 SEN (7%)
- 28 EAL (10%)
- 26 pupil premium children (10%)
- 37 children (14%) from Black and Minority Ethnic backgrounds

**Attainment of cohort at KS1**

- Reading KS1 APS: 16.7
- Writing KS1 APS: 15.2
- Maths KS1 APS: 16.4

**Gender performance on entry**

- Girls performed better than boys in reading: 17.2 / 16.3
- Girls performed better than boys in writing: 15.9 / 14.6
- Boys performed better than girls in maths: 16.6 / 16.2

Gap between Pupil Premium Group and Non Pupil Premium in all subjects on entry (baseline shown):

- Reading Non PPG: 17.1, PPG: 13.4
- Writing Non PPG: 15.5, PPG: 12.1
- Maths Non PPG: 16.7, PPG: 14.3

**Key Stage 1 data for Year 6 compared to National Data (APS)**

	National	EQT	EQT vs National
Reading	16	16.7	0.7
Writing	14.7	15.2	0.5
Maths	15.9	16.4	0.5

*Figures are Average Point Score (APS)*

**Floor/Coasting standards**

The Government sets its minimum standard (known as floor target) and coasting standards as:

	Expected Standard in Reading, Writing and Maths	Sufficient progress		
		Reading	Writing	Maths
<b>Floor Target Measures</b>	65%	> -5	> -7	> -5
<b>Coasting Measures*</b>	85%	> -2.5	> -3.5	> -2.5
<b>EQT</b>	66%	-0.1 Deemed in line with National	-1.5 Deemed in line with National	-0.6 Deemed in line with National

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

**Attainment (standards)**

Percent children attaining expected standard. The expected standard in the tests is a scaled score of 100 or above.

**Expected Standard**

	<b>EQT % at expected+</b>	<b>National % at expected +</b>	<b>Difference between EQT and National</b>
<b>Reading</b>	78%	71%	+7%
<b>Writing</b>	79%	76%	+3%
<b>Maths</b>	81%	75%	+6%
<b>SPAG</b>	84%	77%	+7%
<b>R,W,M (combined)</b>	66%	61%	+5%

**High Attaining**

	<b>EQT % higher attaining</b>	<b>National % higher attaining</b>	<b>Difference between EQT and National</b>
<b>Reading</b>	29%	24%	+5%
<b>Writing</b>	12%	18%	-6%
<b>Maths</b>	22%	23%	-1%
<b>SPAG</b>	30%	31%	-1%
<b>R,W,M (combined)</b>	6%	9%	-3%

**Pupil Progress from KS1**

		<b>Reading</b>	<b>Writing</b>	<b>Maths</b>
Summary	All Pupils	-0.1	-1.5	-0.6
Gender	Male	-0.1	-2.4	+0.4
	Female	-0.2	-0.5	-1.7
Prior attainment	Higher attainers	+0.6	-1.6	-0.1
	Middle attainers	0	-1.1	-1.1
	Lower attainers	-1.8	-2.2	-0.3
Pupil Premium	Pupil premium	-3.6	-1.6	-1.7
	Not pupil premium	+0.2	-1.5	-0.4
SEN Group	SEN Support	-6.7	-6.1	-3.7
	No SEN	+0.3	-1.2	-0.4
EAL	First language not English	-1.1	+0.3	+1.8
	First language English	0	-1.7	-0.8
Mobility	Joined in Y5 or Y6	-2.4	-4.3	-2.9
	Joined before Y5	-0.1	-1.4	-0.5

*[Note: In the above table a progress score of 0 is the national average. None of the above scores, positives and negatives are statistically different from the national.]*

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

**EQT Attainment and Progress Over Time**

	<b>Results</b>		<b>Progress</b>	
	2016	2017	2016	2017
Number of Pupils / % Matched	270	267	97%	97%
<b>Reading</b>				
% Expected standard+	69%	78%		
% Higher standard	17%	29%		
Scaled Score	103	106	-1.3	-0.1
<b>Writing</b>				
% Expected standard+	77%	79%		
% Higher standard	15%	12%		
Scaled Score	102	101	-0.6	-1.5
<b>Maths</b>				
% Expected standard+	71%	81%		
% Higher standard	22%	22%		
Scaled Score	103	105	-0.8	-0.6
<b>SPAG</b>				
% Expected standard+	79%	84%		
% Higher standard	23%	30%		
Scaled Score	105	106	-0.7	-0.8
<b>R, W &amp; M</b>				
% Expected standard+	55%	66%		
% Higher standard	6%	6%		
Scaled Score (R & M)	103	105	-1.0	-0.3

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

**Commentary**

**Floor/Coasting Standards**

- Trust as a whole is above Floor Targets.
- All individual schools are above Floor Targets
- Trust as a whole is above the Coasting Schools definition.
- All individual schools are above the Coasting Schools definition.

**Attainment Overall**

- EQT % at expected is above national in all areas, including % meeting expectations in reading, writing and maths.
- % of higher attainment in reading is 5 points above national.
- % of higher attainment in SPG and maths is 1 point below national.
- % of higher attainment in writing is 6 points below national. This then affects the reading, writing & maths higher attainment figures, which are 3 below national.
- Looking at the writing assessments at the higher level there do seem to be variations in school data in terms of what exactly is 'Greater Depth'. Ofsted's advice to inspectors is to treat teacher assessment of writing carefully given the differences in how work is assessed. Schools that were moderated tend to have lower numbers of children achieving GD and this appears to be true in the Trust, thus pulling down the overall %. There is a new interim writing assessment framework again this year and joint moderation within the Trust will be important to ensure writing assessments are comparable.

**Attainment in Context and Prior Attainment Groups**

- Boys have done well in reading – the gender gap on entry has been closed.
- Gender gap on entry in maths and writing has remained - boys attaining higher than girls in maths, girls in writing.
- Our EAL pupils do very well compared to EAL pupils nationally. One school had the large majority of these children (22 out of 28).
- EQT SEN group significantly lower than national in reading and writing. However, there is the following to consider:
  - o The gap looks very large when looking at % meeting expected, yet the average scaled scores between the EQT group and national SEN is far less and in fact the same in writing. This tells us that many of our SEN pupils were very close to gaining 100 in the reading test with some scoring much more.
  - o We are comparing our pupils with SEN support nationally. In Nottinghamshire we have traditionally had a push for greater inclusion and which pupils we class as needing SEN support may be starting from a much lower point than nationally. This needs to be investigated further.
- The EQT Pupil Premium group overall performed less well than the national group in all areas, particularly in reading, in terms of % meeting expected. We would need to look at the individual pupil data to see whether it is the same children in the PP group and SEN support group who did not attain well in reading, thus bringing both scores down.
- Two schools accounted for half of the PP group (13 out of the Trust total 26). However, the individual schools' data shows that on the whole these schools' PP children performed higher than the Trust average.
- There were no pronounced differences between the performance of the prior attainment groups between the EQT schools and national.

**Pupil Progress from KS1**

- All progress scores can be described as being in line with the national, with most within 2 of the national figures.
- There is a marked difference in progress scores between those children who joined the schools late and those who were at the schools before year 5. The late entries had a downward effect on our overall progress scores.
- The biggest minus scores were for the groups identified above – SEN Support and Pupil Premium, with reading being the subject in which these pupils did not make as much progress.
- As mentioned above, there has been a narrowing of the gender gap in reading, although not in writing and maths. The maths gap is the one of most concern, looking at the scores it would seem that the lower progress in writing can be seen in the SEN Support group but this is not as pronounced in maths, where the difference in progress is marked.

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

**EQT Attainment and Progress Over Time**

- Over the first year of the Trust it is encouraging that attainment and progress in many areas has risen. This is particularly true in reading and maths expected and in the overall number of pupils gaining the expected standard in all 3 areas – a key performance indicator.
- Also of note is the increase in the numbers gaining the higher level in reading.
- The progress scores only going up slightly in maths, even when the % gaining expected and scaled scores have gone up, could indicate a greater number of children could achieve greater depth, a figure that stayed static.

**Action Points Following Analysis**

- a) To set up joint moderation meetings specifically to look at what is Greater Depth in writing. There were clear variations within schools this year.
- b) To use the knowledge from the school with the majority of EAL pupils to ensure individual or isolated pupils with EAL in other schools have the best provision.
- c) To increase the number of pupils gaining the higher level in maths. This will be linked to the work the Trust is doing with the Maths Hub.
- d) To increase the number of children in the Pupil Premium Group attaining the expected in all areas but in particular in reading.
- e) To create a Trust wide Pupil Premium Leaders group to share ideas and good practice and provide support for schools with only a small PP group.
- f) To identify a group of children across the Trust who have SEN support and are in receipt of the Pupil Premium. Increasing the attainment of this group will have the biggest effect on the overall Trust data.

**b. Going concern**

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

**Financial review**

**a. Review of activities**

The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £8,318,000 compared to total resources expended of £7,724,000 to give a surplus for the year of £594,000. The Trust made a significant investment into fixed assets during the year totalling £1,598,000.

The Trust has £26,334,000 of accumulated reserves carried forward.

The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit of £3,367,000. Contributions to this pension scheme are determined by the pension schemes actuary and have been confirmed at 18.3% for 2017/18.

Key financial policies adopted during the year cover procurement of goods and services, tendering, gifts and hospitality, expenses and fraud procedures all of which are detailed in the Equals Trust Financial Policies and Procedures. The implementation of Trust wide policies and procedures are reviewed internally by Trust staff and externally by the appointed auditors.

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

**b. Reserves policy**

The Trust's 'free' reserves are its available funds after excluding all restricted funds. 'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of its purposes once it has met its commitments and covered all levels of planned expenditure. More specifically 'free reserves' represent income to the Trust that is to be spent at the discretion of the Trustees' in furtherance of the Trust's objectives but which is not yet spent, committed or designated.

The Trustees review the level of Trust reserves as well as those held by each member academy on an annual basis. Additionally, reserves are reviewed against the Investment and Reserves Policy on at least an annual basis. The Trustees have determined that the appropriate level of free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £597,000. The Trustees consider an appropriate level of restricted general reserves to be at one month's worth of wages expenditure. Based on funding allocations for the 2017/18 academy year, all but two schools within the Trust will exceed this target. The Trustees recognised the shortfall and have set budgets to ensure all member schools within the Trust reach this level in the next academic year.

**c. Material investments policy**

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements for its operations. The main purpose of the Trust's investment policy is to ensure there is no risk of loss in the capital value of any funds invested.

**d. Principal risks and uncertainties**

The Trust has carried out an extensive risk assessment based on the Education, Skills and Funding Agency model and a detailed risk register is continually reviewed and updated.

We have identified that we need to remain focussed on our reputation within the local community to ensure the sustainability of all member schools within the Trust. In line with our vision and values we strive to ensure that education remains at the forefront of all decision making.

Funding levels are unknown and the consultations around national fairer funding have created some uncertainty. The Trust considers that its current reserves policy will aid the transition period and enable longer-term financial plans to be implemented. Pupil numbers are intrinsically linked to funding from the ESFA and as such the Trust conservatively forecasts future pupil intakes in order to address any potential future financial issues.

Failure to comply with statutory health and safety legislation remains a significant risk following conversion and as such the Trust is considering the need to develop a comprehensive estates management strategy to address the inherited legacy issues around land, buildings and infrastructure. The Trust retains external advisors to ensure appropriate steps are being taken to mitigate the risk of non-compliance and specialist advice is sought when necessary.

The risk of inappropriate levels or quality of management and governance exists due to this academic year being the formative year of the Trust. Currently the leadership group is sufficiently experienced for most tasks and is supported when necessary by the Board of Directors, who were appointed on a skills-based assessment and hold a wealth of professional knowledge. The planned growth of the Trust may highlight areas where more specific expertise is required and the Trust is committed to protectively addressing this risk. Additionally the scheme of delegation is reviewed annually to ensure it remains 'fit for purpose' with the delegation of responsibilities and authorities allowing schools to retain an appropriate level of autonomy.



**EQUALS TRUST**  
**(A company limited by guarantee)**

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

**Plans for future periods**

**a. Future developments**

Equals Trust is based on the principle of equality with the aim of allowing member schools to maintain their ethos and unique identities within a tight local network, with strong mutual accountability, share support services and a strong collaborative approach to staff development and school improvement.

The Trustees have worked with the Equals Trust Leadership Group, comprising representatives from all member schools and the executive team, to establish strategic aims for Equals Trust and its schools. The Trust will focus on developing a sustainable financial strategy while implementing a manageable strategy for growth and embedding clear lines of communication and sufficiently delegated authorities.

Member schools will continue to embed the vision and values on which the Trust is established whilst celebrating achievements, encouraging personal development and delivering high standards of welfare for students and staff. A clear workforce strategy, which promotes common employment practices, aided by clear leadership and governance structures and associated quality assurance will ensure that the Trust maintains high standards in teaching and learning across all member schools.

The strategic growth plan, approved by and in conjunction with the Department for Education (DfE), indicates that 12 primary-phase academies will represent the first strategic milestone for Equals Trust. The Trust is in the process of aiding the conversion of Willow Farm Primary School and has completed the sponsorship application as required by the DfE. Three other primary schools have also indicated an interest in joining Equals Trust since inception.

**Funds held as custodian**

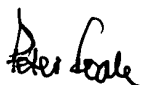
The Trust does not act as custodian trustee and no funds are held on behalf of others.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:



---

**P Foale**  
**Chair of Trustees**

**EQUALS TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Equals 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Equals Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Foale, Chair	5	6
D Johnson, Vice Chair	5	6
K Lavender, Chair of Finance & Audit Committee	4	6
P Palmer, CEO & Accounting Officer	6	6
B Walker	5	6
S Jaques	2	6
L Morley	5	6
W Williams	6	6
C Keast	5	6
T Cook	1	2
A Demetriou	6	6

The Board of Directors has overall responsibility for the administration of the Trust finances. The primary responsibilities of the Board of Directors are prescribed in the funding agreement between the Trust and the DfE and in the Trust's Scheme of Delegation, and include but are not limited to the following;

- a) Ensuring that grant income from the DfE is used only for intended purposes;
- b) Ensuring that funds from sponsors are received in accordance with the funding agreement and are used only for intended purposes;
- c) Approval of the annual budget;
- d) Appointment of the Chief Executive Officer and Accounting Officer.

The Trust has completed a financial management and governance self-assessment in its first year of operation. A second-year review is planned for January 2018, which will assess the finance and governance arrangements against the external audit findings as well as 'The 9 Characteristics of a Successful Multi Academy Trust which seeks to establish a working definition that categorises the development of each characteristic against five possible stages of maturity; beginning, developing, embedding and leading.

**EQUALS TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. The main financial responsibilities of the Finance and Audit committee include, but are not limited to the following;

- a) Initial review and authorisation of the annual budgets;
- b) Regular monitoring of actual income and expenditure against budgets;
- c) Ensuring annual accounts are produced in accordance with the requirements of the Companies Act, the Charities SORP and the latest edition of the Annual Accounts Direction from the DfE;
- d) Authorising orders, purchases, payments and contracts as designated in the scheme of delegation;
- e) Authorising changes to Trust personnel;
- f) Reviewing the reports of the internal assurance services and external audit on the effectiveness of the financial procedures and controls.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
K Lavender, Chair of Finance & Audit Committee	5	5
B Walker	5	5
D Johnson	4	5
P Palmer, CEO & Accounting Officer	3	5

**Review of Value for Money**

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

- Appointing a Chartered Accountant as Chief Financial Officer with delegated responsibility to comprehensively review and monitor Trust finances.
- Implementing a lean philosophy that is designed to avoid waste across all levels of the Trust.
- Creating a 5-year strategic procurement plan, which will ensure all services and contracts are appraised and negotiated.
- Delivering economies of scale through shared and centralised procurement.
- Working in partnership with the Local Authority, professionals and local schools to share staffing expertise and create a sustainable model for continuing professional development.
- Reviewing staffing levels and structures across the Trust to ensure efficient deployment to support an improved curriculum and enrichment activities.
- Receiving regular monitoring reports from the external and internal audit process.
- Obtaining funding for capital projects across the Trust to improve the estates and deliver long-term energy cost savings.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Equals Trust for the period 14 July 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**EQUALS TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**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 14 July 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed PKF Cooper Parry Group Limited, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchasing systems
- testing of control accounts and bank reconciliations

On a quarterly basis, the auditor reports to the board of trustees through the finance and audit purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal reporting during the period ending 31 August 2017 reflected the practical issues faced by all schools when joining a multi-academy trust. However, no significant areas of concern have been noted and appropriate remedial action has been taken.

**EQUALS TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

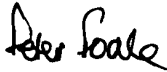
**Review of Effectiveness**

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

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

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

Approved by order of the members of the board of trustees on 12 December 2017 and signed on their behalf, by:



**P Foale**  
**Chair of Trustees**



**P Palmer**  
**Accounting Officer**

**EQUALS TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the academy trust board of 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 2016.

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

  
**P Palmer**  
**Accounting Officer**

Date: 12 December 2017

**EQUALS TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

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

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

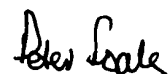
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2017 and signed on its behalf by:



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**P Foale**  
**Chair of Trustees**

**EQUALS TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EQUALS TRUST**

**Opinion**

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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



**EQUALS TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EQUALS TRUST**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

**EQUALS TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EQUALS TRUST**

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

 Simon Atkins

Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

**PKF Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG  
12 December 2017

**EQUALS TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EQUALS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equals Trust during the period 14 July 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Equals Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Equals Trust's funding agreement with the Secretary of State for Education dated 14 July 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 14 July 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**EQUALS TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EQUALS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 14 July 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*PKF Cooper Parry Group Limited*

**PKF Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

12 December 2017

**EQUALS TRUST**  
(A company limited by guarantee)

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

		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
	Note				
<b>Income from:</b>					
<b>Donations &amp; capital grants:</b>					
Transfer from local authority on conversion (see note 21)	2	289	(2,342)	27,990	25,937
Donations and capital grants	2	78	-	1,715	1,793
<b>Charitable activities:</b>					
Funding for the multi-academy trust's educational operations	3	382	8,318	-	8,700
Other trading activities	4	72	-	-	72
Investments	5	1	-	-	1
<b>Total income</b>		<b>822</b>	<b>5,976</b>	<b>29,705</b>	<b>36,503</b>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Multi-academy trust educational activities		819	9,113	646	10,578
<b>Total expenditure</b>	6	<b>819</b>	<b>9,113</b>	<b>646</b>	<b>10,578</b>
<b>Net income / (expenditure) before transfers</b>		<b>3</b>	<b>(3,137)</b>	<b>29,059</b>	<b>25,925</b>
Transfers between Funds	17	-	(45)	45	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>3</b>	<b>(3,182)</b>	<b>29,104</b>	<b>25,925</b>
Actuarial gains on defined benefit pension scheme	23	-	409	-	409
<b>Net movement in funds</b>		<b>3</b>	<b>(2,773)</b>	<b>29,104</b>	<b>26,334</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>3</b>	<b>(2,773)</b>	<b>29,104</b>	<b>26,334</b>

The notes on pages 30 to 52 form part of these financial statements.

**EQUALS TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10279606**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000
<b>Fixed assets</b>			
Tangible assets	13		28,942
<b>Current assets</b>			
Debtors	14	906	
Cash at bank and in hand		1,321	
		<u>2,227</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,440)</u>	
<b>Net current assets</b>			<u>787</u>
<b>Total assets less current liabilities</b>			29,729
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(28)</u>
<b>Net assets excluding pension scheme liabilities</b>			29,701
Defined benefit pension scheme liability	23		<u>(3,367)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>26,334</u></u>
<b>Funds of the academy</b>			
<b>Restricted income funds:</b>			
Restricted income funds	17	594	
Restricted fixed asset funds	17	29,104	
		<u>29,698</u>	
Restricted income funds excluding pension liability		29,698	
Pension reserve		<u>(3,367)</u>	
Total restricted income funds			26,331
Unrestricted income funds	17		<u>3</u>
<b>Total funds</b>			<u><u>26,334</u></u>

The financial statements on pages 27 to 52 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:



**P Foale**  
**Chair of Trustees**

The notes on pages 30 to 52 form part of these financial statements.

**EQUALS TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Period ended 31 August 2017 £000
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	19	1,203
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments		1
Purchase of tangible fixed assets		(1,598)
Capital grants from DfE/ESFA		1,715
<b>Net cash provided by investing activities</b>		118
<b>Change in cash and cash equivalents in the period</b>		1,321
Cash and cash equivalents brought forward		-
<b>Cash and cash equivalents carried forward</b>	20	1,321

The notes on pages 30 to 52 form part of these financial statements.

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

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

**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

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



**EQUALS TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

**1.3 Income**

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

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

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

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

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

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

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

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

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

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-term leasehold property	-	2% (50 years)
Motor vehicles	-	25% (4 years)
Fixtures and fittings	-	10% (10 years)
Computer equipment	-	33% (3 years)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**1.6 Liabilities and provisions**

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

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

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

**1.7 Operating leases**

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

**EQUALS TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

**1.8 Investments**

The Trust's shareholding in the wholly owned subsidiary, Equals Trading Company Ltd, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**1.11 Financial instruments**

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Taxation**

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

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

**EQUALS TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Fund accounting**

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

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

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

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

**1. Accounting Policies (continued)**

**1.15 Conversion to an academy trust**

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

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

Further details of the transaction are set out in note .

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**2. Income from donations and capital grants**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Transfer from local authority on conversion (see note 21)	289	(2,342)	27,990	25,937
Donations	78	-	-	78
Capital grants	-	-	1,715	1,715
	367	(2,342)	29,705	27,730

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	6,590	6,590
Start Up Grants	-	303	303
Pupil Premium	-	241	241
Other DfE/ESFA Grants	-	414	414
	-	7,548	7,548
<b>Other government grants</b>			
Local Authority Grants	-	327	327
	-	327	327
<b>Other funding</b>			
Other income from the academy trust's educational operations	-	443	443
Catering income	216	-	216
Trip income	166	-	166
	382	443	825
	382	8,318	8,700

**EQUALS TRUST**  
(A company limited by guarantee)

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

**4. Other trading activities**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Hire of facilities	47	-	47
Other income	25	-	25
	<u>72</u>	<u>-</u>	<u>72</u>

**5. Investment income**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Short term deposits	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

**6. Expenditure**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000
Activities:				
Direct costs	5,435	-	369	5,804
Support costs	2,506	1,194	1,074	4,774
	<u>7,941</u>	<u>1,194</u>	<u>1,443</u>	<u>10,578</u>

**7. Charitable activities**

	Direct costs 2017 £000	Support costs 2017 £000	Total 2017 £000
Educational operations	5,804	4,774	10,578
	<u>5,804</u>	<u>4,774</u>	<u>10,578</u>

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

**7. Charitable activities (continued)**

**Analysis of support costs**

	<b>Educational operations £000</b>	<b>Total 2017 £000</b>
Support staff costs	2,464	2,464
Depreciation	646	646
Technology costs	90	90
Premises costs	548	548
Other support costs	865	865
Governance costs	161	161
	<u>4,774</u>	<u>4,774</u>

**8. Net income/(expenditure)**

This is stated after charging:

	<b>Period ended 31 August 2017 £000</b>
Depreciation of tangible fixed assets:	
- owned by the academy	646
Auditor's remuneration - audit	19
Auditor's remuneration - other services	6
	<u>671</u>



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

**9. Staff costs**

Staff costs were as follows:

	<b>Period ended 31 August 2017 £000</b>
Wages and salaries	4,959
Social security costs	443
Operating costs of defined benefit pension schemes	2,273
	<hr/> 7,675
Apprenticeship levy	5
Supply teacher costs	224
Staff restructuring costs	37
	<hr/> <hr/> 7,941

Staff restructuring costs comprise:

	<b>Period ended 31 August 2017 £000</b>
Redundancy payments	37
	<hr/> <hr/>

Included in staff restructuring costs is an individual non-statutory/ non-contractual severance payment of £37,000.

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

	<b>Period ended 31 August 2017 No.</b>
Teachers	100
Support	185
Management	9
	<hr/> 294
	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	<b>Period ended 31 August 2017 No.</b>
Teachers	84
Support	91
Management	9
	<hr/> 184
	<hr/> <hr/>

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

**9. Staff costs (continued)**

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

	<b>Period ended 31 August 2017 No.</b>
In the band £60,001 - £70,000	1
In the band £70,001 - £80,000	2

The key management personnel of the academy trust comprise the trustee 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 £572,000.

**10. Central services**

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

- Finance
- Legal services
- Governance
- Insurance
- Human Resources
- Information Technology
- Educational support services
- Other goods and services as arising

The academy trust charges for these services on the following basis:

The Leadership Group agreed that for the period ending 31 August 2017 the central Trust budget was funded by the Education Services Grant (£77/pupil) received by each member school.

The actual amounts charged during the year were as follows:

	<b>Period ended 31 August 2017 £000</b>
Heymann Primary & Nursery School	43
Burton Joyce Primary School	27
Cropwell Bishop Primary School	15
Tollerton Primary School	15
Robert Miles Junior School	19
Keyworth Primary & Nursery School	8
Crossdale Primary School	12
	<hr/>
Total	139
	<hr/>

For the year ending 31 August 2018 each member school will be charged 3% of the General Annual Grant as part of a transitional funding model to accommodate for the tapered reduction in the Education Services Grant.

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

**11. Trustees' remuneration and expenses**

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

		Period ended 31 August 2017 £000
P Palmer	Remuneration	75-80
	Pension contributions paid	5-10

During the period ended 31 August 2017, travel and subsistence expenses totalling £211 were reimbursed to 1 trustee.

**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 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-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
Additions	1,532	9	57	1,598
Acquired on conversion	27,990	-	-	27,990
At 31 August 2017	29,522	9	57	29,588
<b>Depreciation</b>				
Charge for the period	625	2	19	646
At 31 August 2017	625	2	19	646
<b>Net book value</b>				
At 31 August 2017	28,897	7	38	28,942

The land and buildings acquired on conversion have been valued using a Nottinghamshire County Council insurance valuation. No split of land and buildings is available from this information. The standard ESFA valuation information will be available from January 2018 and will be accurately reflected in the financial statements to 31 August 2018.

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

**14. Debtors**

	<b>2017 £000</b>
Trade debtors	4
Other debtors	267
Prepayments and accrued income	635
	<hr/> 906 <hr/>

**15. Creditors: Amounts falling due within one year**

	<b>2017 £000</b>
Trade creditors	642
Other taxation and social security	117
Other creditors	18
Accruals and deferred income	663
	<hr/> 1,440 <hr/>

**Deferred income**

Resources deferred during the year	<hr/> 155 <hr/>
------------------------------------	-----------------

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals for the autumn term 2017.

**16. Creditors: Amounts falling due after more than one year**

	<b>2017 £000</b>
Other creditors	<hr/> 28 <hr/>

Included within other creditors is a loan to the ESFA of £45,000 to repay the deficit on conversion of one of the member schools.

The loan is provided with zero interest, payable over 4 years with £17,000 paid to the end of 2017/18 leaving £28,000 outstanding to be paid over the following 4 years.

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

**17. Statement of funds**

	Balance at 14 July 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
Total Unrestricted Funds	-	822	(819)	-	-	3
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	6,590	(6,002)	(45)	-	543
Pupil Premium	-	241	(202)	-	-	39
Start Up Grants	-	303	(303)	-	-	-
Other Grants	-	1,184	(1,172)	-	-	12
Pension reserve	-	(2,342)	(1,434)	-	409	(3,367)
	-	5,976	(9,113)	(45)	409	(2,773)
<b>Restricted fixed asset funds</b>						
Transfer on conversion	-	27,990	(603)	-	-	27,387
DfE/ESFA capital grants	-	1,715	(38)	-	-	1,677
Capital expenditure from GAG	-	-	(5)	45	-	40
	-	29,705	(646)	45	-	29,104
Total restricted funds	-	35,681	(9,759)	-	409	26,331
Total of funds	-	36,503	(10,578)	-	409	26,334

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

The restricted general funds represents grants and other income received for the multi academy trust's operational activities and development.

The pension reserve included within restricted general funds represents the multi academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Assets Funds relate predominately to the assets acquired on conversion to a multi academy trust, being the properties.

The Unrestricted Funds represent the surplus generated by the multi academy trust on activities for generating funds.

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

**17. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £000</b>
Burton Joyce Primary	113
Cropwell Bishop Primary	(36)
Crossdale Drive Primary	155
Heymann Primary and Nursery	160
Keyworth Primary and Nursery	14
Robert Miles Junior School	77
Tollerton School	61
Central Services	53
	<hr/>
Total before fixed asset fund and pension reserve	597
Restricted fixed asset fund	29,104
Pension reserve	(3,367)
	<hr/>
Total	26,334
	<hr/> <hr/>

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

<b>Name of academy</b>	<b>Amount of deficit £000</b>
Cropwell Bishop	(36)

Cropwell Bishop joined Equals Trust with a deficit of £52,000. This is repayable to the ESFA through an interest free loan (see note 15). The member school has made a surplus during the period of £16,000.

The academy is taking the following action to return the academies to surplus:

The academy trust has agreed a repayment plan with the ESFA for the deficit on conversion and will continue to manage the costs of Cropwell Bishop over the coming months to return the school back to a break even position.

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

**17. Statement of funds (continued)**

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000
Burton Joyce Primary	942	102	89	310	1,443
Cropwell Bishop Primary	589	84	61	196	930
Crossdale Drive Primary	467	56	49	134	706
Heymann Primary and Nursery	1,671	206	38	431	2,346
Keyworth Primary and Nursery	382	123	25	111	641
Robert Miles Junior School	786	80	41	176	1,083
Tollerton School	548	71	63	151	833
Equals Trust	50	55	3	1,294	1,402
	<u>5,435</u>	<u>777</u>	<u>369</u>	<u>2,803</u>	<u>9,384</u>

**18. Analysis of net assets between funds**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	28,943	28,943
Current assets	48	1,287	892	2,227
Creditors due within one year	(17)	(693)	(731)	(1,441)
Creditors due in more than one year	(28)	-	-	(28)
Provisions for liabilities and charges	-	(3,367)	-	(3,367)
	<u>3</u>	<u>(2,773)</u>	<u>29,104</u>	<u>26,334</u>

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

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

	<b>Period ended 31 August 2017 £000</b>
Net income for the year (as per Statement of Financial Activities)	25,925
<b>Adjustment for:</b>	
Depreciation charges	646
Dividends, interest and rents from investments	(1)
Increase in debtors	(906)
Increase in creditors	1,468
Capital grants from DfE and other capital income	(1,715)
Defined benefit pension scheme obligation inherited	2,342
Defined benefit pension scheme cost less contributions payable	1,434
Transfer of fixed assets from LA	(27,990)
<b>Net cash provided by operating activities</b>	<b>1,203</b>

**20. Analysis of cash and cash equivalents**

	<b>Period ended 31 August 2017 £000</b>
Cash in hand	1,321
<b>Total</b>	<b>1,321</b>



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**21. Conversion to an Academy Trust**

During the period, the member schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Equals Trust from Nottinghamshire County Council for £NIL consideration. The dates of conversion were as follows:

Burton Joyce Primary - 1 September 2016  
Cropwell Bishop Primary - 1 September 2016  
Crossdale Drive Primary - 1 November 2016  
Heymann Primary and Nursery - 1 September 2016  
Keyworth Primary and Nursery - 1 November 2016  
Robert Miles Junior School - 1 September 2016  
Tollerton School - 1 September 2016

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets - Long leasehold buildings</b>				
Burton Joyce Primary	-	-	3,881	3,881
Cropwell Bishop Primary	-	-	2,866	2,866
Crossdale Drive Primary	-	-	3,094	3,094
Heymann Primary and Nursery	-	-	8,272	8,272
Keyworth Primary and Nursery	-	-	4,283	4,283
Robert Miles Junior School	-	-	3,049	3,049
Tollerton School	-	-	2,545	2,545
<b>Budget surplus / (deficit) on local authority funds</b>				
Burton Joyce Primary	44	-	-	44
Cropwell Bishop Primary	(53)	-	-	(53)
Crossdale Drive Primary	146	-	-	146
Heymann Primary and Nursery	61	-	-	61
Keyworth Primary and Nursery	19	-	-	19
Robert Miles Junior School	36	-	-	36
Tollerton School	36	-	-	36
<b>LGPS Pension surplus / (deficit)</b>				
LGPS Pension deficit for member schools	-	(2,342)	-	(2,342)
<b>Total</b>	<b>289</b>	<b>(2,342)</b>	<b>27,990</b>	<b>25,937</b>

The above net assets include £342,000 that were transferred as cash.

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**22. Capital commitments**

At 31 August 2017 the academy had capital commitments as follows:

	<b>2017</b>
	<b>£000</b>
Contracted for but not provided in these financial statements	139

**23. Pension commitments**

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

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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**23. Pension commitments (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £844,000.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £388,000., of which employer's contributions totalled £295,000. and employees' contributions totalled £93,000. The agreed contribution rates for future years are 18.3%.

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.

Principal actuarial assumptions:

	<b>2017</b>
Discount rate for scheme liabilities	2.60 %
Rate of increase in salaries	4.20 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
Commutation of pensions to lump sums	50.00 %

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**23. Pension commitments (continued)**

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

	<b>2017</b>
Retiring today	
Males	22.6
Females	25.5
Retiring in 20 years	
Males	24.8
Females	27.9

	<b>Period ended At 31 August 2017 £000</b>
<b>Sensitivity analysis</b>	
Discount rate +0.1%	170
Discount rate -0.1%	(175)
Mortality assumption - 1 year increase	(187)
Mortality assumption - 1 year decrease	181
CPI rate +0.1%	(19)
CPI rate -0.1%	19

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

	<b>Fair value at 31 August 2017 £000</b>
Equities	1,646
Gilts	79
Corporate bonds	299
Property	290
Cash and other liquid assets	52
Investment funds	61
Asset backed securities	60
<b>Total market value of assets</b>	<b>2,487</b>

The actual return on scheme assets was £277,000.

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**23. Pension commitments (continued)**

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

	<b>Period ended 31 August 2017 £000</b>
Current service cost	1,664
Interest income	(43)
Interest cost	107
Admin expenses	1
	<hr/>
Total	1,729
	<hr/> <hr/>
Actual return on scheme assets	277
	<hr/> <hr/>

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

	<b>Period ended 31 August 2017 £000</b>
Upon conversion	3,644
Current service cost	762
Interest cost	107
Employee contributions	93
Actuarial losses	1,250
Benefits paid	(2)
	<hr/>
Closing defined benefit obligation	5,854
	<hr/> <hr/>

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

	<b>Period ended 31 August 2017 £000</b>
Upon conversion	1,302
Interest income	43
Return on assets less interest	234
Actuarial gain	523
Employee contributions	93
Employer contributions	295
Benefits paid	(2)
Administration expenses	(1)
	<hr/>
Closing fair value of scheme assets	2,487
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Operating lease commitments**

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

	<b>2017</b> <b>£000</b>
<b>Amounts payable:</b>	
Within 1 year	9
Between 1 and 5 years	25
Total	<hr/> 34 <hr/>

**25. Members' liability**

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

**26. Related party transactions**

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

- The academy trust employed Mrs E Palmer, Mr J Palmer and Mr B Palmer, close family members of Mr P Palmer (Trustee, CEO and Accounting Officer of Equals Trust). They each received remuneration commensurate with that of other employees holding the same position in the academy trust and Mr P Palmer did not partake in the decision making process regarding their remuneration or performance management.
- Mrs K Foale is a close family member of Mr P Foale (Chair and Trustee of Equals Trust) and is an elected member of Nottinghamshire County Council. Equals Trust receive grant funding from Nottinghamshire County Council as disclosed at note 3. In addition Nottinghamshire County Council provide payroll, HR and other support services to Equals Trust on normal commercial terms.

**27. Post balance sheet events**

On 1 January 2018, Willow Farm Primary School will convert to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities will be transferred to Equals Trust from Nottinghamshire County Council for £NIL consideration.