

Company Registration No. 07662289 (England and Wales)

EQUITAS ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

EQUITAS ACADEMIES TRUST

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EQUITAS ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

R Linforth (Chair) (Resigned 31 August 2016)
S Spencer (Vice Chair)
A Lofthouse (Chair) (Appointed 26 September 2016)
Z Khan (Resigned 31 August 2016)
R Jesson
D Turner (formerly D Carey)
J Moore
M Bartley
D Jones
V Davison (formerly V Camfield)
E Lawson
P Godwin (Appointed 26 September 2016)

Members

R Linforth (Resigned 31 August 2016)
S Spencer
A Lofthouse
J Moore (appointed 26 September 2016)

Senior management team

- Executive Principal and accounting officer H Roberts
- Deputy Headteacher C Simmons
- Headteacher N Lambert
- Deputy Headteacher J Sweeney
- Deputy Headteacher S Troman

Company secretary

M Lower

Company registration number

07662289 (England and Wales)

Registered office

Aston Manor Academy
Phillips Street
Birmingham
B6 4PZ

Academies operated

Aston Manor Academy
Chilwell Croft Academy

Location

Birmingham
Birmingham

Executive Principal

H Roberts
N Lambert

Independent auditor

Moore Stephens LLP
35 Calthorpe Road
Birmingham
B15 1TS

Bankers

HSBC
130 New Street
Birmingham
B2 4JU

EQUITAS ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Other advisors

Entrust Support Services
Riverway Centre
Riverway
Stafford
Staffordshire
ST16 3TH

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 1 primary and 1 secondary academy in Birmingham. Its academies have a combined pupil capacity of 1,370 and had a roll of 1,291 in the school census in October 2016.

Structure, governance and management

Constitution

The 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 trust.

The trust comprises the following academy schools:

Aston Manor Academy
Chilwell Croft Academy

The trustees of Equitas Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of 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.

Trustees' indemnities

The trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. Details of the costs can be found in note 11 of the accounts. The limit of Indemnity cover is £5,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

Trustees are recruited by invitation of persons known to the trust who are able to benefit the trust by their knowledge and expertise. Staff and parents trustees are invited to express their interest in joining Local Advisory Group and are elected by ballot.

To ensure that the board and its Committees have the appropriate balance of skills and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. The search for board candidates is conducted, and appointments made, on merit, that takes into account the benefits of diversity on the board, including gender and race.

The appointment process includes:

- An assessment of skills and experience of the individual who wishes to become a trustee in relation to the existing trustees to ensure that the skills complement those of the individuals already on the board.
- The Chair and Vice Chair are elected on an annual basis and the terms of office for being a committee member is reviewed annually.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of trustees

The induction and training of trustees is critical in ensuring strong governance of the trust. The development of trustees is therefore as important as the development of employees. Trustees who do not understand the strategy of the trust can lead to a lack of co-ordination resulting in poor performance from trustees which is as great a risk to the trust as a dereliction of duties from employees.

The ideal induction and training process for trustees would normally include:

- Attending a trustees meeting before becoming a trustee.
- Ongoing training in legislation and responsibilities
- Allocation of a mentor or buddy from within the existing board of trustees
- An induction pack which includes, but is not limited to, the Academy development plan and EFA Academies Financial Handbook.

Organisational structure

The board of trustees are responsible for the overall strategic direction of the trust. The trustees have a duty to act in the fulfilment of the trust objects. They set the strategic direction, and determine the policies and procedures of the trust whilst holding each academy within the trust to account. The trustees will meet at least three times a year.

The board of trustees and each Academy Committee do not exercise a managerial role. The leadership and management across the trust is delegated by the board of trustees to the Senior Leadership Team within each academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by the board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

The Executive Headteacher is the Accounting Officer and is responsible for the authorization of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

All trustees are members of the Trust Board. In addition trustees are members of committees who report to the full trust board.

The sub-committees of the trust board are the:

- Raising Standards
- Finance and General Purposes
- Audit

Arrangements for setting pay and remuneration of key management personnel

Key management are regarded as the trustees and the senior management team as listed on page 1.

The arrangement for setting the pay and remuneration of the key management personnel of the trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the autumn term meeting.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interests declaration on an annual basis. This declaration sets out any relationship with the trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, the trust has the following relationships:

- During the year, the trust continued to work with the Titan Partnership, which included training our own teachers through the Initial Teacher Training Programme.
- Has used the services of Emerge, a company controlled by one of the trustees, for careers support for the pupils at the secondary academy.
- During the year trust used the services of University College of Birmingham.

Objectives and activities

Objects and aims

The trust object is to advance, for the public benefit, education for children aged 4 to 19 by establishing and maintaining, Academies which offer a broad and balanced curriculum.

The trustees vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. Aston Manor Academy is recognised by Ofsted as good with outstanding features.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological advancement and extend their sporting, artistic and musical accomplishments.

The trust fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Objectives, strategies and activities

The strategic goals of the trust are:

To provide high quality provision for all academies within the trust that improves the outcomes of all our pupils. This will be achieved by providing appropriate and proportionate support and challenge each academy. There will be a focus on:

- Establishing and monitoring a system of governance through effective academy committees.
- Providing intervention to support school improvement.
- Developing collaborative curriculum activities to support key skill development, increasing independence and vocational/work-related learning.
- Developing monitoring and evaluating strategies and procedures that will drive school improvement.
- Supporting the procurement of best value central services.
- Collaboratively sharing and supporting best practice.

Public benefit

The trustees confirm that they referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the trust objective and aims and in planning future activities for the period. The trustees consider that the trust can clearly demonstrate that its aims are to advance education for public benefit.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Our objective

To provide high quality education provision for all academies within the trust that improves the outcomes of all our pupils.

What we did

Leadership at both academies within the trust is key to continuing to raise standards. A new SENCO was successfully appointed to Chilwell Croft Academy and a new Assistant Headteacher responsible for Literacy & Numeracy was successfully appointed at Aston Manor Academy.

Both academies belong to Challenge Partners and an external review of all aspects of both academies was carried out in the Autumn Term 2015.

Our impact

The trust achieved an unprecedented level of achievement in the GCSE results and in the sixth form. Our Progress 8 score was 0.69 when 0 is the expected score. 98% of students in the sixth form achieved 3 A*-E in A Levels of equivalents and our average grade rose from D+ to C-.

KS1 scores including phonics were in line with national averages even though pupils arrive below national average in to year 1 or Reception. The only disappointment were our KS2 results as we were not at expected levels of progress but neither were we below floor targets.

Tables 1, 2 and 3 below provide a summary of the Academy's performance in the summer 2016 examination season.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Table 1. Summary of KS2 SAT examination results 2016

KS2 SAT results	2016
Achieving expected standard or above in Reading/Writing/Math's	39%
Achieving expected standard or above in Reading	48%
Achieving expected standard or above in Writing	71%
Achieving expected standard or above in Maths	52%
Making expected progress in Reading	-2.8
Making expected progress in Writing	-1.3
Making expected progress in Maths	-2.9

Please note - These figures are provisional

Table 2. Summary of GCSE examination results 2016

GCSE	2016
Progress 8 Score	+0.69
Attainment 8 Score	50.8
A*-C in English (Language or Literature) and Maths	52%
Achieving the English Baccalaureate	14%

Table 3. Summary of A-Level and equivalent study examination results 2016

A Level	2016
Average points score A-Level entry	27.42
Average points score per Applied General entry	46.69
Average points score per Tech Level entry	41.80
% of students achieving 3 A* - E grades	96%
% of students achieving 2 A* - E grades	100%
% of students achieving 1 A* - E grades	100%

Please note - These figures are provisional

Key performance indicators

The trust has proven track record of making outstanding progress between key stage 2 and key stage 4. To set targets for our key stage 4 performance we use the data that students achieve at the end of key stage 2 in their primary schools. Our key stage 5 target setting process is based on the ALPS tool which generates aspirational targets for AS/A2 subjects based on students GCSE performance.

We have always had very high expectations of all of our students at every key stage.

Key performance indicators include:

- Ofsted inspection outcomes
- Examination/key stage results
- Pupil attendance data
- Pupil/teacher contact time
- Average class sizes
- Percentage of income spent on staffing split between teaching and non-teaching staff.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

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

Financial review

The trust's financial position demonstrates total income of £9,743,154 with a deficit at the 31 August 2016 of £1,295,572 after actuarial losses of £1,010,000 on defined benefit pension schemes. The deficit has been allocated to reserves.

The reserves will be utilized for continuous improvement and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the trust's buildings, plant, equipment and contents.

The principal source of funding is derived from the EFA under the General Annual Grant. This totalled £7,904,811 across the trust.

A strategic school improvement plan is prepared and reviewed each year by the trustees in order that reserves can be prioritized and spent according to the needs of the trust.

The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the Finance and General Purposes Committee meetings.
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfill the trust's educational obligations.

Reserves carried forward at 31 August 2016 will be utilized as part of the medium and long term plans of the trust to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements especially to buildings repair not covered by insurance. The board of trustees identifies capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

As at 31 August 2016 the academy trust has reserves of £15,986,029 with unrestricted funds of £497,172, restricted income funds of £985,927, restricted fixed assets funds of £17,131,930 and pension reserve of (£2,629,000).

Investment policy and powers

The trustees have decided that funds that the trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The trust does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

The trust had invested the sum of £608,223 in a HSBC Money Market account as at 31 August 2016. This is a short term investment. The object of this account is to hold the reserves at low risk.

The trust does not have any endowment funds.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The trust has implemented a risk register and a risk review process that is reviewed termly. The objectives will be determined, and where it is considered necessary, measures of control and mitigation in order to manage risk will be put in place.

The principal risks are the loss of reputation through falling standards, falling student rolls and failure to safeguard the students of the trust.

Key controls in place are:

- An organised structure with defined roles, responsibilities and authorisation levels
- Terms of Reference for the committees of the trust Board
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk
- Formal written and published policies for employees
- Vetting procedures as required by law for the protection of the vulnerable.

The deficit of the Local Government Pension Scheme of £2,629,000 represents a concern. However, Parliament has agreed at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the trust is exposed, in particular those related to the operations and finances of the trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all trust board delegated committees under the direction of the trust board
- Pecuniary interests of trustees reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

The trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

EQUITAS ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Moore Stephens LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19/12/16 and signed on its behalf by:



A Lofthouse
Chair

EQUITAS ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Equitas Academies 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 executive principal; 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 Equitas Academies 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
R Linforth (Chair) (Resigned 31 August 2016)	4	4
S Spencer (Vice Chair)	3	4
A Lofthouse (Chair) (Appointed 26 September 2016)	4	4
Z Khan (Resigned 31 August 2016)	2	4
R Jesson	4	4
D Turner (formerly D Carey)	3	4
J Moore	1	4
M Bartley	4	4
D Jones	4	4
V Davison (formerly V Camfield)	3	4
E Lawson	4	4
P Godwin (Appointed 26 September 2016)	0	0

During the year the trust had a NGA audit and any areas identified that needed further support were addressed through in-house training that was ran at regular intervals throughout the year.

The finance and general purposes committee is a sub-committee of the main board of trustees whose purpose is monitor the financial performance of the academies in the trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Z Khan (Resigned 31 August 2016)	5	5
R Jesson	1	5
M Bartley	4	5
V Davison (formerly V Camfield)	4	5
E Lawson	5	5

EQUITAS ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to oversee the audit proceedings of the trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Spencer (Vice Chair)	2	2
A Lofthouse (Chair) (Appointed 26 September 2016)	2	2
J Moore	2	2
D Jones	2	2

Review of value for money

As accounting officer the executive principal has responsibility for ensuring that the 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 available.

During the year ended 31 August 2016, the trust focused on achieving value for money has included the following areas:

Budgeting - A budget for the year ended 31st August 2016 was approved by the finance committee on 13 June 2015. Expenditure made during the year has been controlled by budget holders in accordance with this budget. Centralized purchasing in the finance departments at both schools ensures that no purchases can be made without exceeding the budget for the year without appropriate authorization.

Use of Resources - The trust has deployed equipment, materials and services to provide pupils and staff with resources which support teaching and learning. For example both schools have had significant refurbishments such as electrical re-wiring, window replacements and boiler replacements has resulted in energy cost savings which can be re-deployed to other areas of the budget.

Purchasing - The trust has maintained and developed as necessary procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Equitas Academies Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the 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 trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.