

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 9/12/16 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.

EQUITAS ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

The 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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The trust board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Schools Financial Services (Birmingham City Council), as Responsible Officer. This role includes giving advice on financial matters and performing a range of checks on the trusts financial systems. On a quarterly basis, Schools Financial Services undertake an internal review of processes and procedures. A report is prepared and presented to the trust board on the operation of the systems of control and on the discharge of the trust board's financial responsibilities.

Schools Financial Services delivered their schedule of work as planned including a review of purchasing procedures, payroll system and income systems. No material control issues were noted.

Review of effectiveness

As accounting officer the executive principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of Schools Financial Services;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 general purposes committee and a plan to address weaknesses and recommendations where they arise to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17/12/16 and signed on its behalf by:



A Lofthouse
Chair

EQUITAS ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Equitas Academies Trust I have considered my responsibility to notify the trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

I confirm that I and the trust's board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

H Roberts

H Roberts
Accounting Officer

19-12-16

EQUITAS ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 19/12/16 and signed on its behalf by:



A Lofthouse
Chair

EQUITAS ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF EQUITAS ACADEMIES TRUST

We have audited the accounts of Equitas Academies Trust for the year ended 31 August 2016 set out on pages 20 to 42. The financial reporting framework that has been applied in their preparation is applicable law and 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Equitas Academies Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

EQUITAS ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF EQUITAS ACADEMIES TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

Ann Mathias

Ann Mathias (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP

Chartered Accountants
Statutory Auditor
35 Calthorpe Road
Birmingham
B15 1TS

Dated: *20 December 2016*

EQUITAS ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EQUITAS ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equitas Academies Trust during the period 1 September 2015 to 31 August 2016 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 Equitas Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Equitas Academies Trust and EFA 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 Equitas Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Equitas Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Equitas Academies Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 trust's income and expenditure.

EQUITAS ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EQUITAS ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- An evaluation of the control environment of the academy;
- Analytical review; and
- Substantive testing.

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the academy's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the period for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the academy;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens LLP

Moore Stephens LLP
35 Calthorpe Road
Birmingham
B15 1TS

Dated: *20 December 2016*

EQUITAS ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	3	-	-	622,008	622,008	828,653
Charitable activities:						
- Funding for educational operations	4	115,736	8,936,290	-	9,052,026	9,030,650
Other trading activities	5	66,249	-	-	66,249	239,790
Investments	6	2,871	-	-	2,871	2,945
Total income and endowments		184,856	8,936,290	622,008	9,743,154	10,102,038
Expenditure on:						
Raising funds	7	4,782	-	-	4,782	116,894
Charitable activities:						
- Educational operations	8	222,300	8,905,186	896,458	10,023,944	9,631,836
Total expenditure	7	227,082	8,905,186	896,458	10,028,726	9,748,730
Net income/(expenditure)		(42,226)	31,104	(274,450)	(285,572)	353,308
Transfers between funds	17	-	(261,726)	261,726	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,010,000)	-	(1,010,000)	(112,000)
Net movement in funds		(42,226)	(1,240,622)	(12,724)	(1,295,572)	241,308
Reconciliation of funds						
Total funds brought forward		539,398	(402,451)	17,144,654	17,281,601	17,040,293
Total funds carried forward		497,172	(1,643,073)	17,131,930	15,986,029	17,281,601

EQUITAS ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	12	3,563	-
Tangible assets	13	17,128,367	17,291,399
		17,131,930	17,291,399
Current assets			
Debtors	14	340,062	549,549
Cash at bank and in hand		1,970,225	1,572,252
		2,310,287	2,121,801
Current liabilities			
Creditors: amounts falling due within one year	15	(801,080)	(645,745)
Net current assets		1,509,207	1,476,056
Total assets less current liabilities		18,641,137	18,767,455
Creditors: amounts falling due after more than one year	16	(26,108)	(30,854)
Net assets excluding pension liability		18,615,029	18,736,601
Defined benefit pension liability	20	(2,629,000)	(1,455,000)
Net assets		15,986,029	17,281,601
Funds of the trust:			
Restricted funds	18		
- Fixed asset funds		17,131,930	17,144,654
- Restricted income funds		985,927	1,052,549
- Pension reserve		(2,629,000)	(1,455,000)
Total restricted funds		15,488,857	16,742,203
Unrestricted income funds	18	497,172	539,398
Total funds		15,986,029	17,281,601

The accounts set out on pages 20 to 42 were approved by the board of trustees and authorised for issue on 19/12/16 and are signed on its behalf by:

A Lofthouse

A Lofthouse
Chair

Company Number 07662289

EQUITAS ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		514,830		685,194
Cash flows from investing activities					
Dividends, interest and rents from investments		2,871		2,945	
Capital grants from DfE and EFA		622,008		720,883	
Payments to acquire intangible fixed assets		(5,345)		-	
Payments to acquire tangible fixed assets		(731,645)		(1,410,957)	
			(112,111)		(687,129)
Cash flows from financing activities					
Repayment of other loan		(4,746)			
			(4,746)		-
Change in cash and cash equivalents in the reporting period			397,973		(1,935)
Cash and cash equivalents at 1 September			1,572,252		1,574,187
Cash and cash equivalents at 31 August			1,970,225		1,572,252

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

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

1.1 Basis of preparation

The accounts of the 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Equitas Academies Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Equitas Academies Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

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

The assessment of of going concern has been concluded from a review of current forecast results, demand for places and future plans.

1.3 Income

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

Grants receivable

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

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

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

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Governance costs

These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses. These are now included within charitable activities.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 33.33%

1.6 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	4.75%
Leasehold land and buildings	Term of lease
Computer equipment	33.33%
Fixtures, fittings & equipment	10%
Motor vehicles	20%

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.8 Leasing and hire purchase commitments

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

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 20, 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 are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

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

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Critical areas of judgement

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

The main areas where critical accounting judgements are applied and where there is estimation uncertainty are:

- Provisions
- Intangible assets
- Deferred income
- Impairment and valuation of land and buildings

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Comparative year information

Year ended 31 August 2015	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2015 £
Income and endowments from:				
Donations and capital grants	-	107,770	720,883	828,653
Charitable activities:				
- Funding for	-	9,030,650	-	9,030,650
Other trading activities	227,435	12,355	-	239,790
Investments	2,945	-	-	2,945
Total income and endowments	230,380	9,150,775	720,883	10,102,038
Expenditure on:				
Raising funds	116,894	-	-	116,894
Charitable activities:				
- Educational operations	137,373	8,595,400	899,063	9,631,836
Total expenditure	254,267	8,595,400	899,063	9,748,730
Net income/(expenditure)	(23,887)	555,375	(178,180)	353,308
Transfers between funds	-	(438,164)	438,164	-
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes	-	(112,000)	-	(112,000)
Net movement in funds	(23,887)	5,211	259,984	241,308

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Private sponsorship	-	-	-	107,770
Capital grants	-	622,008	622,008	720,883
	-	622,008	622,008	828,653

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	7,904,811	7,904,811	7,985,333
Other DfE / EFA grants	-	969,871	969,871	1,023,951
	-	8,874,682	8,874,682	9,009,284
Other government grants				
Local authority grants	-	6,230	6,230	21,366
Other funds				
Other incoming resources	115,736	55,378	171,114	-
Total funding	115,736	8,936,290	9,052,026	9,030,650

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	14,398	-	14,398	-
Catering income	-	-	-	115,848
Parental contributions	-	-	-	12,355
Other income	51,851	-	51,851	111,587
	66,249	-	66,249	239,790

6 Investments

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	2,871	-	2,871	2,945

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	5,187,299	843,623	1,066,034	7,096,956	6,277,636
- Allocated support costs	1,650,534	278,871	997,583	2,926,988	3,354,200
	<u>6,837,833</u>	<u>1,122,494</u>	<u>2,063,617</u>	<u>10,023,944</u>	<u>9,631,836</u>
Other expenditure					
Raising funds	-	-	4,782	4,782	116,894
	<u>-</u>	<u>-</u>	<u>4,782</u>	<u>4,782</u>	<u>116,894</u>
Total expenditure	<u>6,837,833</u>	<u>1,122,494</u>	<u>2,068,399</u>	<u>10,028,726</u>	<u>9,748,730</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	8,361	13,500
- Other services	-	7,358
Operating lease rentals	32,063	23,226
Depreciation of tangible fixed assets	893,209	927,118
Amortisation of intangible fixed assets	1,782	-
Loss on disposal of fixed assets	1,467	-
	<u>937,882</u>	<u>971,202</u>

Central services

There are no central charges. Most costs are allocated directly to both academies with the exception of certain salary costs and other costs incurred by Aston Manor Academy and recharged to Chilwell Croft Academy. Those recharges are based on either actual costs incurred or, in the case of salaries, on a time apportioned basis. The total charge was £116,040 (2015: £144,225).

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	7,096,956	7,096,956	6,277,636
Support costs - educational operations	222,300	2,704,688	2,926,988	3,354,200
	<u>222,300</u>	<u>9,801,644</u>	<u>10,023,944</u>	<u>9,631,836</u>

Analysis of costs

	2016 £	2015 £
Direct costs		
Teaching and educational support staff costs	5,187,299	4,743,718
Staff development	52,294	119,905
Depreciation and amortisation	843,623	855,202

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable activities	(Continued)	
Technology costs	47,123	-
Educational supplies and services	499,219	374,509
Examination fees	136,305	131,910
Educational consultancy	202,259	-
Other direct costs	128,834	52,392
	<u>7,096,956</u>	<u>6,277,636</u>
Support costs		
Support staff costs	1,650,534	1,483,988
Defined benefit pension net finance cost	54,000	-
Depreciation and amortisation	52,835	71,916
Technology costs	57,271	-
Maintenance of premises and equipment	227,818	219,887
Cleaning	148,909	159,554
Energy costs	78,832	165,443
Rent and rates	47,619	61,171
Insurance	62,867	53,387
Security and transport	15,907	32,588
Catering	222,300	145,083
Other support costs	272,150	842,709
Governance costs	35,946	118,474
	<u>2,926,988</u>	<u>3,354,200</u>
9 Staff costs		
	2016	2015
	£	£
Wages and salaries	5,367,722	4,942,104
Social security costs	424,044	381,231
Operating costs of defined benefit pension schemes	944,115	772,212
	<u>6,735,881</u>	<u>6,095,547</u>
Staff costs	6,735,881	6,095,547
Supply staff costs	101,952	106,664
Staff restructuring costs	-	9,817
Administration agency costs	-	45,963
	<u>6,837,833</u>	<u>6,257,991</u>

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

(Continued)

Staff numbers

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

	2016 Number	2015 Number
Teachers	90	84
Administration and support	113	110
Management	14	16
	<u>217</u>	<u>210</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,000 - £70,000	3	3
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1
£90,000 - £100,000	-	1
£100,00 - £110,000	1	-

Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer's pension contributions) received by key management personnel for their services to the academy trust was £442,845.

10 Trustees' remuneration and expenses

No trustees have been paid remuneration or received other benefits from an employment with the trust.

During the year, no expenses were reimbursed to trustees (2015: £nil).

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

11 Trustees and officers insurance

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £53,484 (2015: £53,387).

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2015	-
Additions	5,345
At 31 August 2016	5,345
Amortisation	
At 1 September 2015	-
Charge for year	1,782
At 31 August 2016	1,782
Net book value	
At 31 August 2016	3,563

13 Tangible fixed assets

	Land and buildings £	Assets under construction £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2015	19,131,734	14,159	581,913	429,847	21,894	20,179,547
Transfers	128,970	(131,569)	-	2,599	-	-
Additions	77,094	567,123	40,954	46,474	-	731,645
Disposals	-	-	-	(2,296)	-	(2,296)
At 31 August 2016	19,337,798	449,713	622,867	476,624	21,894	20,908,896
Depreciation						
At 1 September 2015	2,285,365	-	439,649	149,982	13,152	2,888,148
On disposals	-	-	-	(829)	-	(829)
Charge for the year	735,375	-	105,947	47,509	4,379	893,210
At 31 August 2016	3,020,740	-	545,596	196,662	17,531	3,780,529
Net book value						
At 31 August 2016	16,317,058	449,713	77,271	279,962	4,363	17,128,367
At 31 August 2015	16,846,369	14,159	142,264	279,865	8,742	17,291,399

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Tangible fixed assets

(Continued)

The net book value of land and buildings comprises:

	2016 £	2015 £
Freeholds	13,032,343	11,154,698
Long leaseholds (over 50 years)	3,284,715	3,309,581
	<u>16,317,058</u>	<u>14,464,279</u>

An independent professional valuation of the freehold land and buildings (Aston Manor) was performed by Cameron Butler BLE (Hons) MRICS as at 1 July 2011 for the purpose of valuing the assets transferred to the Academy Trust upon conversion. The basis of valuation was existing use value.

An independent professional valuation of the leasehold land and buildings (Chilwell Croft) was performed by R Gulliani BSc (Hons) MRICS as at 1 September 2012 for the purpose of valuing the assets transferred to the Academy Trust upon conversion. The basis of valuation was existing use value.

The leasehold is held under a 125 year lease with Birmingham City Council.

14 Debtors

	2016 £	2015 £
VAT recoverable	67,798	128,827
Prepayments and accrued income	272,264	420,722
	<u>340,062</u>	<u>549,549</u>

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	4,748	4,748
Trade creditors	88,732	479,966
Other creditors	5,010	59,637
Accruals and deferred income	702,590	101,394
	<u>801,080</u>	<u>645,745</u>

16 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other loans	26,108	30,854

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

		(Continued)	
16	Creditors: amounts falling due after more than one year	2016	2015
	Analysis of loans		
	Not wholly repayable within five years by instalments	7,122	11,868
	Wholly repayable within five years	23,734	23,734
		<u>30,856</u>	<u>35,602</u>
	Less: included in current liabilities	(4,748)	(4,748)
	Amounts included above	<u>26,108</u>	<u>30,854</u>
	Loan maturity		
	Debt due in one year or less	4,748	4,748
	Due in more than one year but not more than two years	4,748	4,748
	Due in more than two years but not more than five years	14,238	14,238
	Due in more than five years	7,122	11,868
		<u>30,856</u>	<u>35,602</u>

Included within creditors is a salix loan of £30,856 (2015: £35,602) which is repayable over 13 instalments of £2,374 ending on 1 September 2022. It is interest free.

17	Deferred income	2016	2015
		£	£
	Deferred income is included within:		
	Creditors due within one year	-	21,659
		<u>-</u>	<u>21,659</u>
	Deferred income at 1 September 2015	21,659	14,859
	Released from previous years	(21,659)	(14,859)
	Amounts deferred in the year	-	21,659
	Deferred income at 31 August 2016	<u>-</u>	<u>21,659</u>

At the balance sheet date the academy trust had no deferred income (2015: £21,659).

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	1,052,549	7,904,811	(7,709,707)	(261,726)	985,927
Other DfE / EFA grants	-	969,871	(969,871)	-	-
Other government grants	-	6,230	(6,230)	-	-
Other restricted funds	-	55,378	(55,378)	-	-
Funds excluding pensions	1,052,549	8,936,290	(8,741,186)	(261,726)	985,927
Pension reserve	(1,455,000)	-	(164,000)	(1,010,000)	(2,629,000)
	(402,451)	8,936,290	(8,905,186)	(1,271,726)	(1,643,073)
Restricted fixed asset funds					
DfE / EFA capital grants	1,823,061	622,008	(364,126)	-	2,080,943
Inherited funds	14,639,220	-	(500,499)	-	14,138,721
Capital expenditure from GAG	682,373	-	(31,833)	261,726	912,266
	17,144,654	622,008	(896,458)	261,726	17,131,930
Total restricted funds	16,742,203	9,558,298	(9,801,644)	(1,010,000)	15,488,857
Unrestricted funds					
General funds	539,398	184,856	(227,082)	-	497,172
Total funds	17,281,601	9,743,154	(10,028,726)	(1,010,000)	15,986,029

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and local authorities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18. Funds

(Continued)

Total fund analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Aston Manor Academy	1,140,496
Chilwell Croft Academy	<u>342,603</u>
Total before fixed assets fund and pension reserve	1,483,099
Restricted fixed asset fund	17,131,930
Pension reserve	<u>(2,629,000)</u>
Total funds	<u>15,986,029</u>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Aston Manor Academy	3,874,273	1,020,578	325,010	1,297,940	6,517,801
Chilwell Croft Academy	1,313,026	629,956	174,209	497,275	2,614,466
	<u>5,187,299</u>	<u>1,650,534</u>	<u>499,219</u>	<u>1,795,215</u>	<u>9,132,267</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Fund balances at 31 August 2016 are represented by:				
Intangible fixed assets	-	-	3,563	3,563
Tangible fixed assets	-	-	17,128,367	17,128,367
Current assets	497,172	1,813,115	-	2,310,287
Creditors falling due with one year	-	(801,080)	-	(801,080)
Creditors falling due after one year	-	(26,108)	-	(26,108)
Defined benefit pension liability	-	(2,629,000)	-	(2,629,000)
	<u>497,172</u>	<u>(1,643,073)</u>	<u>17,131,930</u>	<u>15,986,029</u>

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 will be as at March 2016, 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 the TPS in the period amounted to £ 356,000 (2015: £ 303,000).

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

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.9% and 13.5% for employers and employee's rates range between 5.5% to 12.5%.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	246,000	224,000
Employees' contributions	77,000	79,000
Total contributions	323,000	303,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.75	4.05
Rate of increase for pensions in payment	2.0	2.3
Discount rate	2.2	4.0
Inflation assumption (CPI)	2.0	2.3

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

	2016 Years	2015 Years
Retiring today		
- Males	23.1	23.0
- Females	25.8	25.2
Retiring in 20 years		
- Males	25.3	25.6
- Females	28.1	28.0

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

The trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	1,492,000	1,095,000
Government bonds	175,000	136,000
Other bonds	216,000	185,000
Cash/ liquidity	162,000	91,000
Property	200,000	156,000
Other assets	271,000	168,000
Total market value of assets	2,516,000	1,831,000
Actual return on scheme assets - gain/(loss)	381,000	(76,000)
Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	356,000	290,000
Net interest cost	54,000	18,000
Plan introductions, benefit changes, curtailments and settlements	-	27,000
Total operating charge	410,000	335,000
Changes in the present value of defined benefit obligations	2016 £	2015 £
Obligations at 1 September 2015	3,286,000	2,811,000
Current service cost	356,000	290,000
Employee contributions	77,000	79,000
Actuarial loss	1,312,000	90,000
Benefits paid	(19,000)	(127,000)
Plan introductions, benefit changes, curtailments and settlements	133,000	143,000
At 31 August 2016	5,145,000	3,286,000

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations	(Continued)	
Changes in the fair value of the trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	1,831,000	1,579,000
Interest income	79,000	31,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	302,000	45,000
Employer contributions	246,000	224,000
Employee contributions	77,000	79,000
Benefits paid	(19,000)	(127,000)
At 31 August 2016	2,516,000	1,831,000
21 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(285,572)	353,308
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(622,008)	(720,883)
Investment income	(2,871)	(2,945)
Defined benefit pension costs less contributions payable	110,000	111,000
Defined benefit pension net finance cost/(income)	54,000	-
Depreciation of tangible fixed assets	893,210	927,118
Amortisation of intangible fixed assets	1,782	-
Losses/(profits) on disposals of fixed assets	1,467	-
(Increase)/decrease in debtors	209,487	(549,549)
Increase/(decrease) in creditors	155,335	640,997
Net cash provided by operating activities	514,830	759,046

22 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£	£
Amounts due within one year	32,934	21,301
Amounts due in two and five years	79,628	18,689
Amounts due after five years	28,162	-
	140,724	39,990

EQUITAS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

23 Related party transactions

Owing to the nature of the trust'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 trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

E Lawson (trustee) is a director of Emerge. The trust incurred expenditure of £1,375 (2015: £nil) with Emerge during the current year. There were no amounts outstanding at 31 August 2016 (2015: £nil). The trust made the purchase at arms' length in accordance with its financial regulations, which E Lawson neither participated in nor influenced. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

A Lofthouse (trustee) is a director of the Titan Partnership. The trust incurred expenditure of £6,300 (2015: £9,240) and received income of £nil (2015: £29,709) with the Titan Partnership during the current year. There were no amounts outstanding at 31 August 2016 (2015: £nil). The trust made the purchase at arms' length in accordance with its financial regulations, which A Lofthouse neither participated in nor influenced. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

R Linforth (Chair-Resigned 31 August 2016) is Vice Chancellor and Principal of University College of Birmingham (UCB). UCB is a sponsor of Equitas Academies Trust. The trust incurred expenditure of £2,212 (2015: £nil) with UCB during the current year. There were no amounts outstanding at 31 August 2016 (2015: £nil). The trust made the purchase at arms' length in accordance with its financial regulations, which R Linforth neither participated in nor influenced. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

24 Members' liability

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

25 First time adoption of FRS 102

These financial statements are the first financial statements of Equitas Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP (SORP 2015). The financial statements of trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. The date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not had a material impact on the Statement of Financial Activities or Balance Sheet.