

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2020**

Company Registration Number  
07662289 (England and Wales)

**Feltons**  
**Chartered Accountants**

**Birmingham**  
**B1 3JR**

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Report and Financial Statements**  
**Year ended 31 August 2020**

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	9
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15
Independent Reporting Accountant's Report on Regularity	19
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes forming part of the Financial Statements, incorporating :	
Statement of Accounting Policies	24
Other Notes to the Financial Statements	29

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details**

Members	D Jones S Spencer P Godwin (appointed 23/9/19) A Lofthouse (resigned 18/6/20) J Moore (resigned 2/7/20)
Trustees	S Spencer (Chair) W Wesolek (Vice Chair) A Lofthouse (resigned 18/6/20) H Hector M Bartley D Jones E Lawson P Godwin (resigned 23/9/19) R Barrett-Price J Hackett V Davison (resigned 17/9/19) S Dilkes
Company secretary	S Dilkes
Senior management team	
<ul style="list-style-type: none"><li>• Executive Director</li><li>• Headteacher</li><li>• Headteacher</li><li>• Acting Headteacher</li><li>• Chief Operations Officer</li></ul>	H Roberts J Sweeney G Koutsou (resigned 31 March 2020) A Murphy (appointed 1 March 2020) S Dilkes
Company name	Equitas Academies Trust
Principal and registered office	Aston Manor Academy, Phillips Street, Aston, Birmingham, B6 4PZ
Company registration number	07662289 (England & Wales)
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	HSBC 130 New Street, Birmingham, B2 4JU
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

# **Equitas Academies Trust** **(A Company Limited by Guarantee)**

## **Trustees' report for the year ended 31 August 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 1 primary and 1 secondary school serving catchment areas in Birmingham which are:

- Aston Manor Academy
- Chilwell Croft Academy

They have a combined pupil capacity of 1,390 and had a roll of 408 at Chilwell Croft and 996 at Aston Manor making a combined total of 1,404 in the school census on 1<sup>st</sup> October 2020.

## **Structure, Governance and Management**

### **Constitution**

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The Trustees of Equitas Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Equitas Academies Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

### **Members' liability**

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

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £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 under the Articles of Association.

Trustees are recruited via a variety of methods, which include:

- Invitation of persons known to the trust, who are able to benefit the trust through their knowledge and/or experience;
- Contact with local corporate bodies, which through their Corporate and Social Responsibility framework may recommend employees who have the time, skills and expertise that will benefit the Trust;
- Adverts via establish recruitment networks for Trustees, such as via the National Governors Association.

To ensure that the board and its committees have the appropriate balance of skills and knowledge to enable them to discharge their duties, appointments are made on merit and takes account of the benefits of diversity in respect of gender and race.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Trustees' report for the year ended 31 August 2020**

The appointment process includes:

- An assessment of skills and experience;
- The Chair and Vice Chair are elected annually and terms of office for being a committee member is reviewed annually.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The induction and training of trustees is critical to ensuring strong governance. The development of trustees is as important as the development of employees.

The induction and training process is:

- Attending meetings before becoming a trustee;
- Ongoing training in legislation and responsibilities, including information provided from DfE and ESFA during meetings;
- Awareness of the Academies Financial Handbook.

During the year, the trust board have undertaken a trustee skills audit and have also engaged the National Governance Association to undertake an external review of governance. The trust has a Gold membership of the NGA.

Any trustees with named responsibility attends relevant training and provides information to trustees following such training.

**Organisational structure**

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and General Purpose
- Raising Standards
- Audit

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

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

Key management are regarded as the Trustees and the senior management team as listed. Trustees are unpaid.

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 (STPCD);
- guidance on school teachers pay and conditions;
- National Joint Council (NJC) for Local Government Services advice.

For teaching staff, the determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

For non-teaching staff, the determination is in line with validated job descriptions relevant to roles and by agreement between the Trust Board and Executive Director.

Incremental rises are dependent upon the successful completion of the previous year's performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made to the Finance & General Purposes Committee and their decision confirmed by the Board at the autumn term meeting.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Trustees' report for the year ended 31 August 2020**

**Trade union facility time**

The trust, via the individual schools, subscribes to Facilities Time through a Service Level Agreement with Birmingham City Council. No individual employee has undertaken paid trade union activities during the period.

**Related parties and other Connected Charities and Organisations**

All members and trustees complete pecuniary interests declarations on an annual basis. The declaration sets out any relationship with the trust that is not directly related to their duties within these roles. Each individual is 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:

- The trust continued to work with the Titan Partnership, which included training teachers through the Initial Teacher Training Programme;
- The Trust used the services of University College Birmingham.

**Objectives and activities**

**Objects and aims**

The strategic goal of Equitas Academies Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

**Objectives, strategies and activities**

The main objectives for the year are:

- Establishing and monitoring a system of governance through effective committees and recruitment of suitably qualified Trustees and Members
- To continue to improve outcomes and the educational experience of children and young people
- To stabilise and develop leadership at all levels across governance, the academies and central services.

The strategies adopted for achieving these objectives are:

- Providing intervention to support school improvement
- Developing, monitoring and evaluating strategies and procedures that drive school improvement

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Supporting the procurement of best value central services
- Recruitment of trust wide staff to develop the multi-academy trust model with a view to future expansion.

**Public benefit**

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission. The trustees consider that the trust can clearly demonstrate that its aims are to advance education for public benefit.

Equitas Academies Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Trustees' report for the year ended 31 August 2020

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

Continuing high quality professional development, and an outward facing team have helped us to refine our practice to sustain improvement over a number of years. As members of PIXL club, Jubilee Heads and the TITAN partnership amongst others, as well as running NPQ qualifications in house, and development of staff as a priority, we are proud to have a skilled and experience staffing body. This has been a key factor in our continued improvement.

Our school improvement partner Richard Sutton interrogates our practice on an annual basis in order to ensure our priorities are focused on improving outcomes for all.

The trustees have provided effective and appropriate challenge, primarily through the Raising Standards Committee, holding leaders to account. Areas targeted have seen improvements in outcomes over recent years for both schools.

Our Impact

The trust continues to improve performance year on year. Since progress scores have been introduced our achievement has been well above average. Over the last 3 years our results have been in the top 15 % in the country. This year our progress score is 0.6. We are well above average in the majority of our performance indicators, despite pupils entering the school with attainment levels well below average. The average grade students achieve in the sixth form this year was B-. 100% of our students move onto their preferred destinations, many are the first in their families to enter higher education, and into professions such as medicine and law, and gaining sports scholarships abroad.

Equitas Academies Trust - Summary of Results 2019/20.

a. Summary of KS2 Results 2020

KS2	2019 National*	2018	2019	2020
Achieving Expected (/GDS) Standard in R/W/M	65% (11%)	68% (2%)	55% (2%)	67% (12%)
Achieving Expected Standard in Reading	73% (27%)	73% (15%)	63% (13%)	73% (20%)
Achieving Expected Standard in Writing	78% (20%)	76% (7%)	77% (12%)	73% (13%)
Achieving Expected Standard in Maths	79% (27%)	78% (17%)	80% (17%)	81% (28%)
Achieving Expected Standard in SPAG	78% (36%)	78% (36%)	80% (32%)	80% (35%)

\*2020 National Data not published/CCA Scaled scores and progress not available in 2019/20 due to Covid-19

b. Summary of GCSE Results 2020

GCSE	2020 National*	2018	2019	2020
Progress 8 Score	0.00	0.38	0.45	0.60
Attainment 8 Score	50.67	41.89	46.6	48.32
9-4 in English (Best) and Maths	72%	53%	63%	65%
9-5 in English (Best) and Maths	49%	28%	40%	37%
Entering English Baccalaureate	37%	16%	20%	27%
Achieving the English Baccalaureate +4	28%	9% (57% of entered)	14% (72% of entered)	18% (66% of entered)
Achieving the English Baccalaureate	19%	6% (39% of entered)	11% (55% of entered)	14% (51% of entered)



**Trustees' report for the year ended 31 August 2020**

+5		entered)	entered)	entered)
----	--	----------	----------	----------

\*\*National Data' based SISRA collaboration window 2 dataset (consisting of 211904 students across 1277 schools).

c. Summary of KS5 Results 2020

KS5	2019 National*	2018	2019	2020
Average point score A-Level	33.77	37.6	30.83	38.57
Average point score per Applied General	28.37	34.3	33.52	35.29
Average point score per Tech Level	28.43	36.7	45.31	37.14

\*2020 National Data not published

**Key Performance Indicators**

The trust has a 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 based on students GCSE performance.

We have 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
- Direct costs as a percentage of total costs were 70.2% (2019 : 68.1%)
- Support costs as a percentage of total costs were 29.8% (2019 : 31.9%)
- Total payroll costs as a percentage of recurring income were 80.7% (2019 : 76.5%)

**Going concern**

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

**Financial Review**

The financial results of Equitas Academies Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2020 total resources expended were £10,424,360 and the surplus of expenditure over income was £711,014 which included depreciation of £1,079,085.



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Trustees' report for the year ended 31 August 2020**

**Reserves Policy**

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2020 of £12,023,508 which included £1,318,329 restricted funds not available for general purposes of the multi academy trust, £924,082 of free reserves defined as unrestricted funds available for general purposes and £15,005,097 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £2,242,411.

In addition, the deficit on the restricted pension fund of £5,224,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

**Investment Policy**

Any surplus funds are invested with HSBC in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

**Principal Risks and Uncertainties**

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

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 report;
- Formal written and published policies for employees;
- Vetting procedures as require by law for the protection of the vulnerable.

**Fundraising**

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

**Plans for Future Periods**

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Trustees' report for the year ended 31 August 2020**

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, 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.

**Auditor**

Insofar as the Trustees are aware :

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 08.12.2020 and signed on the board's behalf by:

 ..... S Spencer - Chair of Trustees

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Governance statement for the year ended 31 August 2020 (continued)**

**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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Principal/Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 :

Trustee	Meetings attended	Out of a possible
	3	3
A Lofthouse (resigned 18/6/20)	4	4
S Spencer (Chair)	4	4
W Wesolek (Vice Chair)	4	4
H Hector	2	4
M Bartley	3	4
D Jones	4	4
E Lawson	3	4
R Barrett-Price	3	4
J Hackett		

During the period, the Executive Director gave notice to the board of her intention to retire, as a result of which the Board made the decision to recruit by way of replacement a full-time Chief Executive Officer. The board enlisted the support of Hays Specialist Leadership recruitment in this process resulting in a successful appointment.

A review of governance was undertaken during the year.

Subsequent to this the following actions were taken

- Establish an ambitious, but achievable, vision, for the whole trust, which looks forward three to five years and is based on the ethos of the trust.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Governance statement for the year ended 31 August 2020 (continued)**

- Ensure the trust is fully compliant with the Academies Financial Handbook, using the School Resource Management Self-Review checklist to inform the work of the trust committees
- Develop the governance structure to include greater parent representation and recruit trustees with greater financial experience.
- Review the business of the trust, to ensure all statutory functions are considered on a timely basis

The trust intends to conduct its next self-evaluation/external review in 2021.

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

Trustee	Meetings attended	Out of a possible
W Wesolek	6	6
H Hector	6	6
M Bartley	4	6
R Barrett-Price	5	6

The **raising standards committee** is a sub-committee of the main board of trustees. Its purpose is to monitor and evaluate all standards of the academies in the trust.

Trustee	Meetings attended	Out of a possible
S Spencer	5	5
A Lofthouse (resigned 18/6/20)	5	5
E Lawson	2	5
J Hackett	3	5

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

Trustee	Meetings attended	Out of a possible
D Jones	2	3
E Lawson	3	3
S Spencer	3	3

**Review of value for money**

As accounting officer, the Executive Director, has responsibility for ensuring that the multi academy trust

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Governance statement for the year ended 31 August 2020 (continued)**

delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by :

- Budgeting - a budget is approved by the board and monitored by the Finance & General Purpose Committee. During the period, due to the global pandemic, subject to prior authorisation, additional funds have been made available to support schools in providing remote learning and also putting in place suitable measures to control and prevent the spread of the virus in the school environment.
- Use of resources - the trust has deployed equipment, materials and services to provide pupils and staff with resources which support teaching and learning. Investment in classroom technology at both schools and the ability to deliver lessons remotely to students has been critical during the global pandemic.
- Purchasing - the trust has maintained and developed procedures for assessing need, 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 the multi academy trust's 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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of trustees has reviewed the key risks to which the multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Governance statement for the year ended 31 August 2020 (continued)**

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On a termly/quarterly basis, internal auditor reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Internal audit takes a variety of forms and in the year has included:

- A review of Governance by the National Governors Association;
- A review of safeguarding by an independent external party, who is suitably qualified;
- A review of the curriculum and teaching by an independent external party who is also a HMI


**Review of Effectiveness**

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

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

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

Approved by order of the members of the board of trustees on 08.12 2020 and signed on its behalf by:



S Spencer  
Chair of Trustees



H Roberts  
Accounting Officer



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Statement of regularity, propriety and compliance**  
**for the year ended 31 August 2020**

As accounting officer of Equitas Academies Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2019.

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

 H Roberts – Accounting Officer

 2020

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' Responsibilities**  
**for the year ended 31 August 2020**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 08.12.2020 and signed on its behalf by:



S Spencer – Chair of Trustees

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of**  
**Equitas Academies Trust**

**Opinion**

We have audited the financial statements of Equitas Academies Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust**  
**(continued)**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust**  
**(continued)**

**Responsibilities for the financial statements**

As explained more fully in the trustees' responsibilities statement (set out on page 14), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Equitas Academies Trust**  
**(continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Use of our report**

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



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

14 December 2020



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Equitas Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 April 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equitas Academies Trust during the year 1 September 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Equitas Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Equitas Academies Trust and ESFA, 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 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Equitas Academies Trust  
and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**David W Farnsworth FCA (Reporting Accountant)**

For and on behalf of Feltons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

14 December 2020

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities for the year ended 31 August 2020**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2019/20 £	Total 2018/19 £
<b>Income from :</b>							
Donations and capital grants	2	-	-	-	303,643	303,643	106,511
Charitable activities :	3						
Funding for the academy trust's educational operations		110,049	-	9,285,813	-	9,395,862	9,073,068
Teaching schools	26	-	-	6,030	-	6,030	9,000
Other trading activities	4	150	-	-	-	150	31,125
Investments	5	7,661	-	-	-	7,661	6,448
<b>Total</b>		<b>117,860</b>	<b>-</b>	<b>9,291,843</b>	<b>303,643</b>	<b>9,713,346</b>	<b>9,226,152</b>
<b>Expenditure on :</b>							
Charitable activities:							
Academy trust educational operations	6	102,434	131,000	9,105,811	1,079,085	10,418,330	9,852,580
Teaching schools	26	-	-	6,030	-	6,030	37,909
<b>Total</b>		<b>102,434</b>	<b>131,000</b>	<b>9,111,841</b>	<b>1,079,085</b>	<b>10,424,360</b>	<b>9,890,489</b>
<b>Net income/(expenditure) before transfers</b>		<b>15,426</b>	<b>(131,000)</b>	<b>180,002</b>	<b>(775,442)</b>	<b>(711,014)</b>	<b>(664,337)</b>
<b>Transfers between funds</b>	16	<b>-</b>	<b>-</b>	<b>(219,774)</b>	<b>219,774</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>15,426</b>	<b>(131,000)</b>	<b>(39,772)</b>	<b>(555,668)</b>	<b>(711,014)</b>	<b>(664,337)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	16, 24	-	(1,048,000)	-	-	(1,048,000)	(642,000)
<b>Net movement in funds</b>		<b>15,426</b>	<b>(1,179,000)</b>	<b>(39,772)</b>	<b>(555,668)</b>	<b>(1,759,014)</b>	<b>(1,306,337)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	16	908,656	(4,045,000)	1,358,101	15,560,765	13,782,522	15,088,859
<b>Total funds carried forward</b>		<b>924,082</b>	<b>(5,224,000)</b>	<b>1,318,329</b>	<b>15,005,097</b>	<b>12,023,508</b>	<b>13,782,522</b>

All of the Academy's activities derive from continuing operations during the above two financial periods.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

Company number : 07662289  
Balance sheet as at 31 August 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		-		-
Tangible assets	13		14,902,264		15,535,978
<b>Current assets</b>					
Debtors	14	629,858		301,417	
Cash at bank and in hand		<u>2,394,268</u>		<u>2,054,544</u>	
		3,024,126		2,355,961	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15(a)	<u>671,764</u>		<u>52,552</u>	
<b>Net current assets</b>			2,352,362		2,303,409
<b>Total assets less current liabilities</b>			<u>17,254,626</u>		<u>17,839,387</u>
Creditors: amounts falling due after more than one year	15(b)		(7,118)		(11,865)
<b>Net assets excluding pension liability</b>			<u>17,247,508</u>		<u>17,827,522</u>
Defined benefit pension scheme liability	24		<u>(5,224,000)</u>		<u>(4,045,000)</u>
<b>Total net assets</b>			<u><u>12,023,508</u></u>		<u><u>13,782,522</u></u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	15,005,097		15,560,765	
Restricted income fund	16	1,318,329		1,358,101	
Pension reserve	16	<u>(5,224,000)</u>		<u>(4,045,000)</u>	
<b>Total restricted funds</b>			11,099,426		12,873,866
<b>Unrestricted income funds</b>	16		924,082		908,656
<b>Total funds</b>			<u><u>12,023,508</u></u>		<u><u>13,782,522</u></u>

The financial statements on pages 21 to 44 were approved by the trustees, and authorised for issue on 08.12.2020 and are signed on their behalf by:



S Spencer - Chair of Trustees

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Statement of cash flows for the year ended 31 August 2020**

	Notes	2019/20 £	2018/19 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	20	478,538	487,421
<b>Cash flows from investing activities</b>	21	(134,067)	(75,021)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(4,747)	(4,747)
		<u>339,724</u>	<u>407,653</u>
Cash and cash equivalents at 1 September 2019		2,054,544	1,646,891
<b>Cash and cash equivalents at 31 August 2020</b>	22	<u>2,394,268</u>	<u>2,054,544</u>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020**

**1. Accounting policies**

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.

**Basis of preparation**

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**Going concern**

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

**Income**

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**1. Accounting policies (continued)**

**Income (continued)**

- **Other income**  
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy 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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, '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 multi academy trust's accounting policies.

**Expenditure**

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

- **Expenditure on raising funds**  
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**  
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**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, less their estimated residual value, over their expected useful lives on the following bases.

Purchased computer software      - 33.33%

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**1. Accounting policies (continued)**

**Tangible fixed assets**

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 requiring 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 and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold property	24.55 years straight line
Long leasehold buildings	Term of lease
Building refurbishments	10 years straight line
Motor vehicles	20% straight line
Fittings and equipment	10% straight line
Computer hardware	33.33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**Liabilities**

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

**Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**1. Accounting policies (continued)**

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Taxation**

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

Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

**Pension benefits**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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 year 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.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**1. Accounting policies (continued)**

**Fund accounting**

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

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

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

**Critical accounting estimates and areas of judgement**

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**2. Donations and capital grants**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	303,643	303,643	106,511
	-	-	303,643	303,643	106,511
<b>2019 total</b>	-	-	106,511	106,511	

**3. Funding for the multi academy trust's educational operations**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
<b>DfE/ESFA grants</b>					
General Annual Grant (GAG)	-	7,991,530	-	7,991,530	7,909,417
Other DfE Group grants	-	1,260,340	-	1,260,340	998,477
Teaching School grants	-	6,030	-	6,030	9,000
	-	9,257,900	-	9,257,900	8,916,894
<b>Other government grants</b>					
Local authority grants	-	14,710	-	14,710	29,791
<b>Exceptional government funding</b>					
Coronavirus exceptional support	-	19,233	-	19,233	-
	-	33,943	-	33,943	29,791
Other income from the academy trust's educational operations	110,049	-	-	110,049	135,383
	110,049	33,943	-	143,992	165,174
	110,049	9,291,843	-	9,401,892	9,082,068
<b>2019 total</b>	135,383	8,946,685	-	9,082,068	

The academy trust has been eligible to claim additional funding in the period from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £19,233 of additional costs. These costs are included in notes 6 and 7 below as appropriate.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**4. Other trading activities**

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	150	-	150	21,018
Miscellaneous	-	-	-	10,107
	<u>150</u>	<u>-</u>	<u>150</u>	<u>31,125</u>
<b>2019 total</b>	<u>31,125</u>	<u>-</u>	<u>31,125</u>	

**5. Investment income**

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	7,661	-	7,661	6,448
<b>2019 total</b>	<u>6,448</u>	<u>-</u>	<u>6,448</u>	

**6. Expenditure**

	Staff costs £	Non pay expenditure Premises £	Other £	2019/20 Total £	2018/19 Total £
Academy's educational operations					
Direct costs	5,897,328	636,304	779,252	7,312,884	6,701,030
Allocated support costs	1,720,241	917,261	467,944	3,105,446	3,151,550
Teaching school	-	-	6,030	6,030	37,909
	<u>7,617,569</u>	<u>1,553,565</u>	<u>1,253,226</u>	<u>10,424,360</u>	<u>9,890,489</u>
<b>2019 total</b>	<u>7,057,177</u>	<u>1,418,545</u>	<u>1,414,767</u>	<u>9,890,489</u>	

Net income/(expenditure) for the period includes :

		2019/20 £	2018/19 £
Operating leases	- plant and machinery	41,660	43,307
Depreciation		1,079,085	1,009,773
Fees payable to auditor	- audit	13,400	10,104
	- other services	<u>290</u>	<u>3,225</u>



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2019/20 Total £	2018/19 Total £
<b>Educational operations</b>					
Direct costs	29,347	-	7,289,567	7,318,914	6,738,939
Support costs	73,087	131,000	2,901,359	3,105,446	3,151,550
	<u>102,434</u>	<u>131,000</u>	<u>10,190,926</u>	<u>10,424,360</u>	<u>9,890,489</u>
<b>2019 total</b>	<u>125,993</u>	<u>338,000</u>	<u>9,426,496</u>	<u>9,890,489</u>	
<b>Analysis of support costs</b>					
Support staff costs	-	131,000	1,589,241	1,720,241	1,756,397
Depreciation	-	-	442,781	442,781	439,943
Technology costs	-	-	49,529	49,529	81,226
Premises costs	-	-	526,415	526,415	461,591
Other support costs	73,087	-	277,345	350,432	373,094
Governance costs	-	-	16,048	16,048	39,299
<b>Total support costs</b>	<u>73,087</u>	<u>131,000</u>	<u>2,901,359</u>	<u>3,105,446</u>	<u>3,151,550</u>
<b>2019 total</b>	<u>112,655</u>	<u>338,000</u>	<u>2,700,895</u>	<u>3,151,550</u>	

**8. Staff**

**a) Staff costs**

Staff costs during the year were:

	2019/20 £	2018/19 £
Wages and salaries	5,496,081	5,135,645
Social security costs	559,329	515,683
Pension costs	1,481,216	1,208,800
	<u>7,536,626</u>	<u>6,860,128</u>
Agency staff costs	77,113	191,332
Staff restructuring costs	3,830	5,717
	<u>7,617,569</u>	<u>7,057,177</u>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**8. Staff (continued)**

**a) Staff costs (continued)**

	2019/20 £	2018/19 £
Staff restructuring costs comprise :		
Redundancy payments	-	5,717
Severance payments	3,830	-
	<u>3,830</u>	<u>5,717</u>

**b) Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,830 made to one individual (2019: £nil).

**c) Staff numbers**

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

	2019/20 Number	2018/19 Number
Teachers	94	88
Administration and support	88	95
Management	17	15
	<u>199</u>	<u>198</u>

**d) Higher paid staff**

	2019/20 Number	2018/19 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	4	4
£70,001 - £80,000	2	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

**e) Key management personnel**

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £396,496 (2019 : £355,189).

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**9. Central services**

No central services were provided by the trust to its academies during the year and no central charges arose.

**10. Related Party Transactions - Trustees' remuneration and expenses**

During the year ended 31 August 2020, no trustees received any remuneration from an employment with the trust (2019 : nil).

During the year ended 31 August 2020, travel and subsistence expenses totalling £nil (2019 : £nil) were reimbursed or paid directly to nil (2019 : nil) trustees.

Other related party transactions involving the trustees are set out in note 25

**11. Trustees' and officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**12. Intangible fixed assets**

	Computer software £	Total £
<b>Cost or valuation</b>		
At 1 September 2019	5,345	5,345
At 31 August 2020	5,345	5,345
<b>Amortisation</b>		
At 1 September 2019	5,345	5,345
At 31 August 2020	5,345	5,345
<b>Net book values</b>		
At 31 August 2020	-	-
At 31 August 2019	-	-

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

**13. Tangible fixed assets**

	Freehold land and buildings £	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 September 2019	16,622,230	4,359,382	-	516,963	727,159	21,894	22,247,628
Additions	23,962	96,072	171,063	7,339	120,935	26,000	445,371
At 31 August 2020	<u>16,646,192</u>	<u>4,455,454</u>	<u>171,063</u>	<u>524,302</u>	<u>848,094</u>	<u>47,894</u>	<u>22,692,999</u>
<b>Depreciation</b>							
At 1 September 2019	5,274,613	395,275	-	349,583	670,285	21,894	6,711,650
Charge for the year	816,593	130,886	-	52,432	73,974	5,200	1,079,085
At 31 August 2020	<u>6,091,206</u>	<u>526,161</u>	<u>-</u>	<u>402,015</u>	<u>744,259</u>	<u>27,094</u>	<u>7,790,735</u>
<b>Net book values</b>							
At 31 August 2020	<u>10,554,986</u>	<u>3,929,293</u>	<u>171,063</u>	<u>122,287</u>	<u>103,835</u>	<u>20,800</u>	<u>14,902,264</u>
At 31 August 2019	<u>11,347,617</u>	<u>3,964,107</u>	<u>-</u>	<u>167,380</u>	<u>56,874</u>	<u>-</u>	<u>15,535,978</u>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**14. Debtors**

	2020 £	2019 £
Debtors from operations	6,175	2,426
VAT recoverable	58,681	59,055
Prepayments and accrued income	550,546	224,233
Other debtors	14,456	15,703
	<u>629,858</u>	<u>301,417</u>

**15. Creditors**

	2020 £	2019 £
<b>(a) Amounts falling due within one year :</b>		
Creditors from operations	27,516	12,978
Accruals and deferred income	37,891	34,826
Other creditors	606,357	4,748
	<u>671,764</u>	<u>52,552</u>
<b>Deferred income</b>		
Deferred income at 1 September 2019	26,190	28,169
Resources deferred in the year	26,884	26,190
Amounts released from previous years	(26,190)	(28,169)
Deferred income at 31 August 2020	<u>26,884</u>	<u>26,190</u>

At the balance sheet date the multi academy trust was holding funds received in advance for Universal Infant Free School Meals and rates reclaimed.

Included within other creditors due within one year is a Salix loan of £4,748 (2019: £4,748) from ESFA.

**(b) Amounts falling due after more than one year :**

	2020 £	2019 £
Other creditors	<u>7,118</u>	<u>11,865</u>

Included within other creditors falling due after more than one year is a Salix loan of £7,118 (2019 : £11,865) from ESFA.

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

**16. Funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,341,607	7,991,530	(7,795,034)	(219,774)	1,318,329
Pupil premium	-	842,396	(842,396)	-	-
Teaching school	-	6,030	(6,030)	-	-
Other grants	16,494	451,887	(468,381)	-	-
	<u>1,358,101</u>	<u>9,291,843</u>	<u>(9,111,841)</u>	<u>(219,774)</u>	<u>1,318,329</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	12,595,753	-	(798,008)	-	11,797,745
DfE Group capital grants	2,206,731	303,643	(188,643)	-	2,321,731
Capital expenditure from GAG	758,281	-	(92,434)	219,774	885,621
	<u>15,560,765</u>	<u>303,643</u>	<u>(1,079,085)</u>	<u>219,774</u>	<u>15,005,097</u>
<b>Pension reserve</b>	<u>(4,045,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>(1,048,000)</u>	<u>(5,224,000)</u>
<b>Total restricted funds</b>	<u>12,873,866</u>	<u>9,595,486</u>	<u>(10,321,926)</u>	<u>(1,048,000)</u>	<u>11,099,426</u>
<b>Unrestricted funds</b>					
Other income	908,656	117,860	(102,434)	-	924,082
<b>Total unrestricted funds</b>	<u>908,656</u>	<u>117,860</u>	<u>(102,434)</u>	<u>-</u>	<u>924,082</u>
<b>Total funds</b>	<u>13,782,522</u>	<u>9,713,346</u>	<u>(10,424,360)</u>	<u>(1,048,000)</u>	<u>12,023,508</u>

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 and Skills Funding Agency and local authorities.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the multi 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 and Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

**16. Funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	926,004	7,909,417	(7,359,766)	(134,048)	1,341,607
Pupil premium	-	849,273	(849,273)	-	-
Teaching school	8,391	9,000	(37,909)	20,518	-
Other grants	-	178,995	(169,775)	7,274	16,494
	<u>934,395</u>	<u>8,946,685</u>	<u>(8,416,723)</u>	<u>(106,256)</u>	<u>1,358,101</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,106,409	-	(510,656)	-	12,595,753
DfE Group capital grants	2,475,364	106,511	(370,123)	(5,021)	2,206,731
Capital expenditure from GAG	775,998	-	(128,994)	111,277	758,281
	<u>16,357,771</u>	<u>106,511</u>	<u>(1,009,773)</u>	<u>106,256</u>	<u>15,560,765</u>
<b>Pension reserve</b>	<u>(3,065,000)</u>	-	<u>(338,000)</u>	<u>(642,000)</u>	<u>(4,045,000)</u>
<b>Total restricted funds</b>	<u>14,227,166</u>	<u>9,053,196</u>	<u>(9,764,496)</u>	<u>(642,000)</u>	<u>12,873,866</u>
<b>Unrestricted funds</b>					
Other income	861,693	172,956	(125,993)	-	908,656
<b>Total unrestricted funds</b>	<u>861,693</u>	<u>172,956</u>	<u>(125,993)</u>	<u>-</u>	<u>908,656</u>
<b>Total funds</b>	<u>15,088,859</u>	<u>9,226,152</u>	<u>(9,890,489)</u>	<u>(642,000)</u>	<u>13,782,522</u>

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows :

	2019/20 Total £	2018/19 Total £
Aston Manor Academy	1,457,243	1,363,024
Chilwell Croft Academy	785,168	903,733
Total before fixed assets and pension reserve	<u>2,242,411</u>	<u>2,266,757</u>
Restricted fixed asset fund	15,005,097	15,560,765
Pension reserve	(5,224,000)	(4,045,000)
<b>Total funds</b>	<u>12,023,508</u>	<u>13,782,522</u>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**16. Funds (continued)**

**Total cost analysis by academy (continued)**

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2019/20 Total £
Aston Manor Academy	4,504,570	1,071,198	204,110	1,112,837	6,892,715
Chilwell Croft Academy	1,392,758	649,043	63,953	346,806	2,452,560
<b>Academy trust</b>	<b>5,897,328</b>	<b>1,720,241</b>	<b>268,063</b>	<b>1,459,643</b>	<b>9,345,275</b>
<b>2019 total</b>	<b>5,300,780</b>	<b>1,756,397</b>	<b>269,168</b>	<b>1,554,371</b>	<b>8,880,716</b>

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

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	14,902,264	14,902,264
Current assets	924,082	-	1,997,211	102,833	3,024,126
Current liabilities	-	-	(671,764)	-	(671,764)
	924,082	-	1,325,447	15,005,097	17,254,626
Creditors due after one year	-	-	(7,118)	-	(7,118)
Pension scheme liability	-	(5,224,000)	-	-	(5,224,000)
<b>Total net assets</b>	<b>924,082</b>	<b>(5,224,000)</b>	<b>1,318,329</b>	<b>15,005,097</b>	<b>12,023,508</b>

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	15,535,978	15,535,978
Current assets	908,656	-	1,422,518	24,787	2,355,961
Current liabilities	-	-	(52,552)	-	(52,552)
	908,656	-	1,369,966	15,560,765	17,839,387
Creditors due after one year	-	-	(11,865)	-	(11,865)
Pension scheme liability	-	(4,045,000)	-	-	(4,045,000)
<b>Total net assets</b>	<b>908,656</b>	<b>(4,045,000)</b>	<b>1,358,101</b>	<b>15,560,765</b>	<b>13,782,522</b>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**18. Capital commitments**

	2020	2019
	£	£
Contracted for but not provided in the financial statements	126,594	128,384

**19. Commitments under operating leases**

At 31 August 2020 the total of the multi academy trust's future minimum lease payments under non-cancellable operating leases was:

	Other	
	Total	Total
	2020	2019
	£	£
Amounts due within one year	27,679	41,660
Amounts due between one and five years	18,775	46,454
	46,454	88,114

**20. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019/20	2018/19
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(711,014)	(664,337)
Adjusted for :		
Depreciation (note 13)	1,079,085	1,009,773
Capital grants from DfE and other capital income	(303,643)	(106,511)
Interest receivable (note 5)	(7,661)	(6,448)
Defined benefit pension scheme cost less contributions payable (note 24)	61,000	261,000
Defined benefit pension scheme finance cost/(income) (note 24)	70,000	77,000
Decrease / (increase) in debtors	(328,441)	(46,584)
Increase / (decrease) in creditors	619,212	(36,472)
<b>Net cash provided by / (used in) operating activities</b>	<b>478,538</b>	<b>487,421</b>

**21. Cash flows from investing activities**

	2019/20	2018/19
	Total	Total
	£	£
Interest received	7,661	6,448
Purchase of tangible fixed assets	(445,371)	(187,980)
Capital grants from DfE Group	303,643	106,511
<b>Net cash provided by / (used in) investing activities</b>	<b>(134,067)</b>	<b>(75,021)</b>

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**22. Analysis of cash and cash equivalents**

	At 31 August 2020 £	At 31 August 2019 £
Cash at bank and in hand	2,394,268	2,054,544
	<u>2,394,268</u>	<u>2,054,544</u>

**23. Members' liability**

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

**24. Pension and similar obligations**

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

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

There were prepaid contributions of £208,533 at the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £821,287 (2019 : £541,329).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £514,169 (2019 : £422,000), of which employer's contributions totalled £413,761 (2019 : £326,000) and employees' contributions totalled £100,408 (2019 : £89,000). The agreed contribution rates for future years are 21.1% and between 5.5% and 9.9% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 26 and 27 years.

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment / inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60%	1.85%
Inflation assumption (CPI)	2.25%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**24. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

<b>Sensitivity analysis</b>	<b>As disclosed</b>	<b>Discount rate</b>	<b>CPI rate</b>	<b>In life expectancy</b>
	<b>£'000s</b>	<b>+ 0.1% pa £'000s</b>	<b>+ 0.1% pa £'000s</b>	<b>+ 1 year £'000s</b>
Present value of total obligation	10,910	10,633	11,161	11,343
Projected service cost	759	736	782	788
	<b>£'000s</b>	<b>- 0.1% pa £'000s</b>	<b>- 0.1% pa £'000s</b>	<b>- 1 year £'000s</b>
Present value of total obligation	10,910	11,194	10,665	10,493
Projected service cost	759	783	737	730

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

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.1

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

	<b>31 August 2020</b>	<b>31 August 2019</b>
	<b>£</b>	<b>£</b>
Equities	3,194,000	2,538,000
Government bonds	617,000	400,000
Other bonds	221,000	160,000
Property	429,000	345,000
Cash/liquidity	377,000	153,000
Other	848,000	627,000
<b>Total market value of assets</b>	<b>5,686,000</b>	<b>4,223,000</b>

The actual return on scheme assets was £426,000 (2019 : £248,000).

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
<b>Amount recognised in the statement of financial activities</b>		
Current service cost	577,000	585,000
Net interest cost	70,000	77,000
Administration expenses	3,000	2,000
<b>Total amount recognised in the SOFA</b>	<b>650,000</b>	<b>664,000</b>



**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**24. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

Changes in the present value of defined benefit obligations were as follows :

	2019/20	2018/19
	£	£
At 1 September 2019	8,268,000	6,676,000
Current service cost	577,000	490,000
Interest cost	153,000	177,000
Employee contributions	94,000	89,000
Experience loss/(gain) on defined benefit obligation	989,000	-
Changes in demographic assumptions	274,000	(431,000)
Benefits paid	(117,000)	(49,000)
Changes in financial assumptions	672,000	1,221,000
Past service cost	-	95,000
<b>At 31 August 2020</b>	<b>10,910,000</b>	<b>8,268,000</b>

Changes in the fair value of academy's share of scheme assets were as follows :

	2019/20	2018/19
	£	£
At 1 September 2019	4,223,000	3,611,000
Interest income	83,000	100,000
Return on assets less interest	343,000	-
Actuarial gains/(losses)	544,000	148,000
Employer contributions	519,000	326,000
Employee contributions	94,000	89,000
Benefits paid	(117,000)	(49,000)
Administration expenses	(3,000)	(2,000)
<b>At 31 August 2020</b>	<b>5,686,000</b>	<b>4,223,000</b>
<b>Net pension scheme liability</b>	<b>(5,224,000)</b>	<b>(4,045,000)</b>

**25. Related party transactions**

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

**Equitas Academies Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2020 (continued)**

**25. Related party transactions (continued)**

The following related party transaction took place during the year:

**Titan Partnership**

A Lofthouse (resigned as trustee 18/06/20) is a director of Titan Partnership

	2020 £	2019 £
Services charged by related company during the period	12,130	17,140

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.

**26. Teaching school trading account**

	2019/20 £	2018/19 £
<b>Income</b>		
<b>Direct income</b>		
Other income	6,030	9,000
<b>Expenditure</b>		
<b>Direct costs</b>		
Staff development	6,030	17,409
Other direct costs	-	20,500
	6,030	37,909
<b>Total expenditure</b>	6,030	37,909
<b>Surplus/(deficit) from all sources</b>	-	(28,909)
<b>Teaching school balances at 1 September 2019</b>	-	8,391
<b>Prior year clawback transferred to GAG</b>	-	20,518
<b>Teaching school balances at 31 August 2020</b>	-	-