Company Registration Number: 10279606 (England & Wales)

EQUALS TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

EQUALS TRUST
(A company limited by guarantee)

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EQUALS TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Kingman D Blackman A Demetriou A Beaumont A Devlin
Trustees	P Foale, Chair L Morley (resigned 8 October 2018) S Jaques B Walker P Palmer, CEO & Accounting Officer D Johnson (resigned 12 December 2018) W Williams, Vice Chair C Keast R Patel (appointed 28 February 2018) Z Adam, Chair of Finance & Audit Committee (appointed 10 October 2018) J Panagamuwa (appointed 21 November 2018) J Hughes (appointed 28 February 2019) K Platts (appointed 7 March 2019)
Company registered number	10279606
Company name	Equals Trust
Principal and registered office	Equals Trust c/o Keyworth Primary and Nursery School Nottingham Road Keyworth Nottingham NG12 5FB
Company secretary	C Cox (Trust Administration and Governance Manager)
Trust finance manager	Mike Giddings (MLG - CFO)
Senior management team	P Palmer, CEO J Cook, Head Teacher L Hussey, Head Teacher L Noble, Head Teacher A Board, Head Teacher P Cresswell, Executive Head Teacher R Gilbey, Head Teacher M Robinson, Head Teacher K Bartlett, Head Teacher

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditor	Cooper Parry Group Limited Chartered Accountants One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Lloyds Banking Group 12-16 Lower Parliament Street Nottingham NG1 3DA
Solicitors	Stone King LLP 1 Aire Street Leeds LS1 4PR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

Equals Trust ('the Trust) operates nine primary schools across the boroughs of Rushcliffe and Gedling within Nottinghamshire. It has pupil capacity of 2,070 and had a roll of 2,315 in the August 2018 school census.

Structure, governance and management

a. Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles are the primary governing documents of the Trust. Members of the Trust are nominated by the Secretary of State for Education.

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

e. Policies adopted for the induction and training of Trustees

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

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

Structure, governance and management (continued)

f. Organisational structure

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

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

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

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

g. Arrangements for setting pay and remuneration of key management personnel

The Board of Directors has overall responsibility for pay and remuneration of key management personnel and has developed a Trust-wide process to enable local governing bodies to communicate effectively their recommendations and proposals for Head Teachers whilst maintaining a suitable level of rigour and oversight over associated performance targets and reviews. A Pay and Remuneration Committee has been established with delegated responsibilities in relation to Trust wide setting of pay and remuneration of key management personnel.

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

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

Head Teachers or Executive Head Teachers have their pay determined under the School Teachers' Pay and Conditions document and related to the Individual Salary Range attached to their school, personal performance and the requirements of TUPE.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%

i. Related parties and other connected charities and organisations

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

Equals Trust owns 100% of the share capital of Equals Trading Company Ltd. This company was dormant for the year ending 31 August 2019.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

a. Objects and aims

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

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

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

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

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

During the year ending 31 August 2019 the principal activity of the charitable company was the operation of nine primary-phase academies across the Rushcliffe and Gedling areas of Nottinghamshire. In operating these academies, the charitable company entered into a series of funding agreements with the Secretary of State for Education. The agreements specify, amongst other things, the basis for admitting students to the academies, the catchment areas from which the students are drawn and that the curriculum should develop the substance of the national curriculum.

Objectives and activities (continued)

b. Objectives, strategies and activities

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

The Trust is entering in to the third year of this strategic plan.

Strategic Aims for Equals Trust

Financial Strategy and Controls

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

Strategy for Growth

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

Communications

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

Objectives and activities (continued)

Strategic Aims for Equals Trust and Member Schools

Vision and Values

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

Achievements, Personal Development and Welfare

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

Quality assurance and data

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

Governance

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

Workforce Strategy

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

c. Public benefit

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

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

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

Objectives and activities (continued)

d. Employees and disabled persons

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

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

Strategic report

Achievements and performance

a. Key performance indicators

During the academic/financial year three trust schools (Burton Joyce, Heymann and Robert Miles Junior) received an OFSTED inspection. These inspections identified that all three school remain 'good' schools and that the schools benefit from strong trust support.

Extract from Burton Joyce OFSTED report: *"This school continues to be good. The leadership team has maintained the good quality of education in the school since the last inspection. Together, the trust and the governing body provide rigorous support and challenge for school leaders to improve outcomes for pupils."*

Extract from Heymann OFSTED report: *"This school continues to be good. The leadership team has maintained the good quality of education in the school since the last inspection. The school works effectively within the Equals Trust (the trust), of which it became a member in September 2016. There has been effective collaboration on school improvement programmes. Staff and governors have opportunities to work with other schools to exchange good practice."*

Extract from Robert Miles Junior OFSTED report: *"This school continues to be good. The leadership team has maintained the good quality of education since the last inspection. The school converted to an academy in 2016, as a founding member of the Equals Academy Trust. Together, you have continued to provide a stimulating learning environment where pupils grow and flourish. Your commitment is supported by the leaders of the academy trust, who provide strong support and challenge to create a climate for continuous school improvement."*

Trust Wide Academic Outcomes

Note: each school has very different cohort sizes so percentages must be viewed noting this.

Strategic report (continued)

Achievements and performance (continued)

KS2 2019	National	Equals Trust Average	Burton J	Cropwell B	Crossdale	Flintham	Heymann	Keyworth	Robert M	Tollerton	Willow F
Rea Progress	0	-0.03	-2.67	-0.91	2.37	3.2	0.69	0.25	-0.4	0.22	0.77
Rea EXS+	73%	76%	71%	73%	81%	87%	66%	75%	81%	90%	90%
Rea GDS	27%	30%	15%	31%	33%	40%	38%	21%	38%	33%	16%
Wri Progress	0	+0.48	1.07	-0.26	0.74	1.7	0.18	3.11	-0.3	-0.45	0.4
Wri EXS+	78%	82%	86%	81%	76%	87%	76%	82%	83%	87%	84%
Wri GDS	26%	20%	29%	19%	24%	27%	24%	29%	30%	27%	19%
Maths Progress	0	-0.03	-0.81	-1.55	-0.6	0.1	-0.32	1.53	-2	0.02	1.85
Maths EXS+	79%	82%	80%	85%	81%	93%	78%	68%	83%	97%	87%
Maths GDS	27%	26%	27%	15%	10%	13%	32%	20%	20%	27%	39%
GPS EXS+	78%	80%	75%	81%	76%	73%	79%	75%	84%	97%	81%
GPS GDS	36%	34%	29%	54%	38%	33%	36%	25%	36%	37%	19%

KS1 2019											
Rea EXS+	75%	79%	80%	85%	80%	80%	79%	69%	n/a	83%	70%
Rea GDS	25%	26%	29%	39%	24%	27%	19%	25%	n/a	30%	33%
Wri EXS+	69%	77%	76%	89%	68%	80%	77%	69%	n/a	87%	70%
Wri GDS	15%	16%	20%	35%	16%	7%	10%	6%	n/a	23%	17%
Maths EXS+	76%	81%	84%	89%	80%	80%	82%	63%	n/a	83%	73%
Maths GDS	22%	26%	31%	35%	24%	33%	23%	19%	n/a	37%	13%
EYFS GLD	72%	75%	74%	77%	79%	80%	74%	50%	n/a	82%	73%
Yr1 Phonics	82%	86%	89%	93%	82%	92%	86%	67%	n/a	83%	90%
Yr2 phonics	91%	94%	96%	92%	92%	100%	96%	81%	n/a	97%	87%

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the academy trust has adequate resources to continue to operate for the forseeable 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 (note 1).

Strategic report (continued)

Financial review

a. Review of activities

The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £12,564k compared to total resources expended of £12,496k to give a restricted surplus for the year of £68k.

The Trust has £28,641k of accumulated reserves carried forward, of which £865k were general reserves.
The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit of £5,842k.

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

b. Reserves policy

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

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

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment funds and the pension reserve, amounted to £865k. The Trustees consider an appropriate level of restricted general reserves to be at one month's worth of wages expenditure.

c. Material investment policy

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

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

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

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

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

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

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

Plans for future periods

a. Future developments

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

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

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

The strategic growth plan, approved by and in conjunction with the Department for Education (DfE), indicates that 12 primary-phase academies will represent the first strategic milestone for Equals Trust. Richard Boningon Primary and Nursery School joined Equals Trust on 1 October, 2019. The Trust is in the process of aiding the conversion of Brookside Primary School and has completed a sponsorship application for a local development. One other primary school has also indicated an interest in joining Equals Trust during the past year and their application is in process. Equals Trust continues to attract enquiries from other schools locally who are exploring potential Academy conversion.

Funds held as custodian on behalf of others

The Trust holds cash balances on behalf of the Gedling Area Partnership and School Behaviour Attendance Partnership. Both organisations exist to improve the educational provision in their respective communities and so are aligned to the objectives of the Trust.

Any balances unspent at the year-end are shown as monies owed to the respective organisations.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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 10 December 2019 and signed on its behalf by:

P Foale
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Equals Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Foale, Chair	6	7
L Morley	0	0
S Jaques	3	7
B Walker	6	7
P Palmer, CEO & Accounting Officer	7	7
K Lavender	0	0
D Johnson	2	2
W Williams, Vice Chair	7	7
C Keast	7	7
A Demetriou	0	0
R Patel	0	7
Z Adam, Chair of Finance & Audit Committee	5	7
J Panagamuwa	5	5
J Hughes	2	3
K Platts	2	3

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

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

The Trust has completed a financial management and governance self-assessment in its first year of operation. A second-year review in January 2018 assessed the finance and governance arrangements against the external audit report as well as 'The 9 Characteristics of a Successful Multi Academy Trusts', which seeks to establish a working definition that categorises the development of each characteristic against found possible stages of maturity; beginning, developing, embedding and leading. A similar review will be completed in January 2019.

Governance (continued)

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

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

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Attendance during the year at meetings of the Finance and Audit Committee was as follows:

Trustee	Meetings attended	Out of a possible
Z Adam, (Chair of Finance & Audit Committee)	4	4
B Walker	4	4
D Johnson	1	1
P Palmer, (CEO & Accounting Officer)	3	4
S Jaques	3	4
L Noble, (HT, non-voting)	3	4
P Cresswell, (HT, non-voting)	3	4

The Pay and Remuneration Committee was established during the year. The Pay and Remuneration Committee is a committee of the Board of Trustees. The main responsibilities of the Pay and Remuneration Committee include, but are not limited to the following;

a) Prepare, review and submit for recommendation an appraisal policy
b) Prepare, review and submit for recommendation a pay policy
c) Select an external adviser to advise the committee undertaking the performance management of senior staff
d) Support the CEO with the annual report to the Board of Trustees on appraisal arrangements and outcomes
e) To moderate pay decisions across the Trust's academies
f) To determine the outcome of the executive team's appraisal as proposed by the CEO
g) To determine and manage the appraisal process of the CEO
h) To deal with any other matter relating to pay, appraisal and employment as may be referred to by the Trust Board.

Attendance during the year at meetings of the Pay and Remuneration Committee was as follows:

Trustee	Meetings attended	Out of a possible
R Patel, (Chair of Pay & Remuneration Committee)	2	2
P Palmer, (CEO & Accounting Officer)	2	2
P Foale, (Chair)	2	2
B Walker	2	2

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Equals Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Equals 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 Equals Trust has delivered improved value for money during the year by:

- Improving educational outcomes by targeted investment in curriculum areas
- Implementing a lean philosophy that is designed to avoid waste across all levels of the Trust.
- Implementing a 5-year strategic procurement plan, which will ensure all services and contracts are appraised and negotiated.
- Starting the process of recruiting a HR professional in to the executive team in order to improve HR systems and processes
- Delivering economies of scale through shared and centralised procurement.
- Working in partnership with the Local Authority, professionals and local schools to share staffing expertise and create a sustainable model for continuing professional development.
- Reviewing staffing levels and structures across the Trust to ensure efficient deployment to support an improved curriculum and enrichment activities.
- Receiving regular monitoring reports from the external and internal audit process.
- Obtaining funding for capital projects across the Trust to improve the estates and deliver long-term energy cost savings.

The purpose of the system of internal control

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this stage of the Trust's development.. However, the Trustees have appointed Cooper Parry Group Limited, the external auditor, to perform additional checks.

The additional checks include giving advice on financial matters and performing a range of testing across Equals Trust 's financial policies and procedures.. In particular the checks carried out in the current period included:

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

The internal checks are reported on a regular basis to the Board of Trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal reporting during the period ending 31 August 2019 reflected the practical issues faced by all schools when joining a multi-academy trust. However, no significant areas of concern have been noted and appropriate remedial action has been taken where necessary.

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the 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
- the work of the executive team within Equals Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on their behalf by:

P Foale
Chair of Trustees

P Palmer
CEO and Accounting Officer

EQUALS TRUST

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Equals Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

Equals Trust was successful with a CIF bid in 2019 for Brookside Primary school, a school that was due to join Equals Trust in the summer of 2019, Due to a legal issue with the caretakers' house, the conversion was delayed, and is now likely to take place on 1 January 2020.

When the CIF funding was confirmed in April 2019, a contractor was appointed to do the work, and this was completed in the August 2019. Due to the delay in the school joining, the ESFA have not been able to pay the trust the CIF monies to cover the cost of the works completed but will be able to do so once the school joins.

P Palmer
CEO & Accounting Officer
Date: 10 December 2019

EQUALS TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on its behalf by:

P Foale
Chair of Trustees

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EQUALS TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EQUALS TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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



Simon Atkins FCA (Senior statutory auditor)
for and on behalf of
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

10 December 2019

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

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equals Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Equals Trust's funding agreement with the Secretary of State for Education dated 14 July 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;

- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;

- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As referred to in the statement of regularity, propriety and compliance, Equals Trust has incurred capital costs in connection with a school currently not included within the Trust. The costs were due to be funded via a CIF application which has been delayed. The costs have been treated as prepayments in the financial statements and the CIF income has not been accrued. Subsequent to the year end, Equals Trust has settled the liability incurred from its own reserves and on the school joining the Trust, the CIF monies will be released to Equals Trust.



Cooper Parry Group Limited

Date: 10 December 2019

EQUALS TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	*Total funds* 2018 £000
Income from:						
Donations and capital grants	3	70	-	1,401	1,471	4,711
Charitable activities	4	478	10,475	-	10,953	9,766
Other trading activities	5	139	-	-	139	136
Investments	6	1	-	-	1	1
Total income		688	10,475	1,401	12,564	14,614
Expenditure on:						
Charitable activities	7	522	11,192	782	12,496	11,940
Total expenditure		522	11,192	782	12,496	11,940
Net income/(expenditure)		166	(717)	619	68	2,674
Transfers between funds	18	-	(23)	23	-	-
Net movement in funds before other recognised gains/(losses)		166	(740)	642	68	2,674
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,681)	-	(1,681)	1,246
Net movement in funds		166	(2,421)	642	(1,613)	3,920
Reconciliation of funds:						
Total funds brought forward		2	(2,747)	32,999	30,254	26,334
Net movement in funds		166	(2,421)	642	(1,613)	3,920
Total funds carried forward		168	(5,168)	33,641	28,641	30,254

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 54 form part of these financial statements.

EQUALS TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 10279606

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £000		2018 £000
Fixed assets					
Tangible assets	14		33,371		33,112
Current assets					
Debtors	15	1,656		320	
Cash at bank and in hand		1,532		1,997	
		3,188		2,317	
Creditors: amounts falling due within one year	16	(2,076)		(1,640)	
Net current assets			1,112		677
Total assets less current liabilities			34,483		33,789
Creditors: amounts falling due after more than one year	17		-		(12)
Net assets excluding pension liability			34,483		33,777
Defined benefit pension scheme liability	25		(5,842)		(3,523)
Total net assets			28,641		30,254
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	33,641		32,999	
Restricted income funds	18	674		776	
Pension reserve	18	(5,842)		(3,523)	
Total restricted funds	18		28,473		30,252
Unrestricted income funds	18		168		2
Total funds			28,641		30,254

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

Peter Foale

P Foale
Chair of Trustees

The notes on pages 29 to 54 form part of these financial statements.

EQUALS TRUST

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(809)	967
Cash flows from investing activities	22	361	(274)
Cash flows from financing activities	21	(17)	(17)
Change in cash and cash equivalents in the year		(465)	676
Cash and cash equivalents at the beginning of the year		1,997	1,321
Cash and cash equivalents at the end of the year	23	1,532	1,997

The notes on pages 29 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

  General Annual Grant is recognised in full in the Statement of financial activities in the 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.

- **Other income**

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

1. Accounting policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold property	- 2% (50 years)
Furniture and fixtures	- 10% (10 years)
Motor vehicles	- 25% (4 years)
Computer equipment	- 33% (3 years)

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

1. Accounting policies (continued)

1.6 Liabilities and provisions

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

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

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

1.7 Operating leases

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

1.8 Investments

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1. Accounting policies (continued)

1.12 Pensions

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

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

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

1.13 Taxation

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

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transfer from local authority on conversion	-	-	-	3,498
Donations	70	-	70	106
Capital Grants	-	1,401	1,401	1,107
	70	1,401	1,471	4,711
Total 2018	167	4,544	4,711	

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,226	8,226	7,432
Start Up Grants	-	25	25	50
Pupil Premium	-	316	316	269
Other DfE/ESFA Grants	-	605	605	456
	-	9,172	9,172	8,207
Other government grants				
Local Authority Grants	-	652	652	550
	-	652	652	550
Other funding				
Other income from the academy trust's educational operations	-	651	651	570
Catering income	274	-	274	252
Trip income	204	-	204	187
Total 2019	478	10,475	10,953	9,766
Total 2018	439	9,327	9,766	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	101	101	99
Other income	38	38	37
Total 2019	139	139	136

6. Investment income

	Total funds 2019 £000	Total funds 2018 £000
Short term deposits	1	1

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Educational operations costs					
Direct costs	6,919	-	652	7,571	6,683
Support costs	1,862	1,588	1,475	4,925	5,257
Total 2019	8,781	1,588	2,127	12,496	11,940
Total 2018	8,770	1,416	1,754	11,940	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	7,571	4,925	12,496	11,940
Total 2018	6,683	5,257	11,940	

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	1,862	2,521
Depreciation	782	740
Technology costs	165	101
Premises costs	806	688
Other support costs	1,152	1,068
Governance costs	158	139
	4,925	5,257

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	782	740
Fees paid to auditor for:		
- audit	18	21
- other services	11	13

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	6,459	5,746
Social security costs	569	500
Pension costs	1,633	2,298
	8,661	8,544
Agency staff costs	100	191
Staff restructuring costs	20	35
	8,781	8,770

Staff restructuring costs comprise:

Redundancy payments	20	35

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is an individual non-statutory/ non-contractual severence payment of £19,927 (2018: £34,730) made in two separate payments of £8,167 and £11,760.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	100	97
Support	107	108
Management	9	12
	216	217

10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £833,000 (2018: £745,000).

11. Central services

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

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

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

For the year ending 31 August 2019, each member school was charged 5% of the General Annual Grant as part of the Equals Trust financial development pan.

1% of this funding has been ringfenced for school improvement and delegated to the Leadership Group for improving educational standards across Equals Trust. The remaining 4% was allocated to the provision of central services, with any excess funds being committed back to individual schools for future trust-wide developments.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Heymann Primary & Nursery School	105	60
Burton Joyce Primary School	61	37
Cropwell Bishop Primary School	38	23
Tollerton Primary School	37	22
Robert Miles Junior School	46	27
Keyworth Primary & Nursery School	27	15
Crossdale Primary School	37	21
Willow Farm Primary School	39	16
Flintham Primary School	21	1
Total	411	222

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
P Palmer	Remuneration	75 - 80	75 - 80
	Pension contributions paid	10 - 15	10 - 15

During the year ended 31 August 2019, travel and subsistence expenses totalling £742 (2018: £273) were reimbursed to 1 Trustee.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustee's and officers' indemnity element from the overall cost of the RPA scheme.

14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2018	34,320	44	134	34,498
Additions	974	28	39	1,041
At 31 August 2019	35,294	72	173	35,539
Depreciation				
At 1 September 2018	1,311	11	64	1,386
Charge for the year	712	12	58	782
At 31 August 2019	2,023	23	122	2,168
Net book value				
At 31 August 2019	33,271	49	51	33,371
At 31 August 2018	33,009	33	70	33,112

The land and buildings have been valued using a Nottinghamshire County Council insurance valuation. No split of land and buildings is available from this information. The standard ESFA valuation information has not been made available to the academy trust.

15. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	14	30
Other debtors	19	88
VAT repayable	266	94
Prepayments and accrued income	1,357	108
	1,656	320

16. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Other loans	11	17
Trade creditors	1,195	229
Other taxation and social security	134	129
Other creditors	156	-
Accruals and deferred income	580	1,265
	2,076	1,640

	2019 £000	2018 £000
Deferred income at 1 September 2018	204	155
Resources deferred during the year	198	204
Amounts released from previous periods	(204)	(155)
	198	204

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals for the autumn term 2019 £178,000 (2018: £173,000), funds received for the reclaim of rates £nil (2018: £17,000) and HLN/AFN of £20,000 (2018: £14,000).

17. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Other loans	-	12

Included within other creditors is a loan from the ESFA of £11,000 (2018: £28,000) to repay the deficit on conversion of one of the member schools. The loan is provided with zero interest, payable over 4 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Total Unrestricted Funds	2	688	(522)	-	-	168
Restricted general funds						
General Annual Grant (GAG)	671	8,225	(8,199)	(23)	-	674
Pupil Premium	44	316	(360)	-	-	-
Other Grants	61	1,236	(1,297)	-	-	-
Other income	-	698	(698)	-	-	-
Pension reserve	(3,523)	-	(638)	-	(1,681)	(5,842)
	(2,747)	10,475	(11,192)	(23)	(1,681)	(5,168)
Restricted fixed asset funds						
Transfer on conversion	30,236	-	(680)	-	-	29,556
DfE/ESFA capital grants	2,728	1,401	(97)	-	-	4,032
Capital expenditure from GAG	35	-	(5)	23	-	53
	32,999	1,401	(782)	23	-	33,641
Total Restricted funds	30,252	11,876	(11,974)	-	(1,681)	28,473
Total funds	30,254	12,564	(12,496)	-	(1,681)	28,641

18. Statement of funds (continued)

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

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

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

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

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

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Burton Joyce Primary	190	140
Cropwell Bishop Primary	(31)	(29)
Crossdale Drive Primary	101	100
Heymann Primary and Nursery	398	314
Keyworth Primary and Nursery	9	(34)
Robert Miles Junior School	112	80
Tollerton Primary School	38	55
Flintham Primary School	8	2
Willow Farm Primary School	17	49
Central Services	-	101
Total before fixed asset funds and pension reserve	842	778
Restricted fixed asset fund	33,641	32,999
Pension reserve	(5,842)	(3,523)
Total	28,641	30,254

18. Statement of funds (continued)

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

	Deficit £000
Cropwell Bishop Primary	31

The deficit has arisen due to a revenue deficit inherited from the Local Authority on conversion.

The deficit inherited on conversion of £52,000 is due to be repaid in full by May 2020.

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

Equals Trust are supporting the school to return the revenue budget to a surplus and have worked with the ESFA to agree a suitable deficit repayment plan.

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Burton Joyce Primary	969	127	55	412	1,563	1,520
Cropwell Bishop Primary	620	77	39	210	946	913
Crossdale Drive Primary	589	65	61	242	957	900
Heymann Primary and Nursery	1,873	436	68	592	2,969	2,697
Keyworth Primary and Nursery	485	79	36	153	753	801
Robert Miles Junior School	761	104	30	299	1,194	1,157
Tollerton Primary School	606	84	46	196	932	887
Flintham Primary School	386	58	48	133	625	40
Willow Farm Primary School	630	96	67	211	1,004	642
Central Services	-	186	201	384	771	1,643
Academy trust	6,919	1,312	651	2,832	11,714	11,200

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	*Income* £000	*Expenditure* £000	*Gains/ (Losses)* £000	*Balance at 31 August 2018* £000
Unrestricted funds					
Total Unrestricted Funds	3	743	(744)	-	2
Restricted general funds					
General Annual Grant (GAG)	543	7,432	(7,304)	-	671
Pupil Premium	39	269	(264)	-	44
Other Grants	12	1,056	(1,007)	-	61
Other income	-	570	(570)	-	-
Pension Reserve	(3,367)	(91)	(1,311)	1,246	(3,523)
	(2,773)	9,236	(10,456)	1,246	(2,747)
Restricted fixed asset funds					
Transfer on conversion	27,387	3,528	(679)	-	30,236
DfE/ESFA capital grants	1,677	1,107	(56)	-	2,728
Capital expenditure from GAG	40	-	(5)	-	35
	29,104	4,635	(740)	-	32,999
Total Restricted funds	26,331	13,871	(11,196)	1,246	30,252
Total funds	26,334	14,614	(11,940)	1,246	30,254

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	33,371	33,371
Current assets	168	1,827	1,193	3,188
Creditors due within one year	-	(1,153)	(923)	(2,076)
Provisions for liabilities and charges	-	(5,842)	-	(5,842)
Total	168	(5,168)	33,641	28,641

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	33,112	33,112
Current assets	32	1,512	773	2,317
Creditors due within one year	(18)	(736)	(886)	(1,640)
Creditors due in more than one year	(12)	-	-	(12)
Provisions for liabilities and charges	-	(3,523)	-	(3,523)
Total	2	(2,747)	32,999	30,254

20. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	68	2,674
Adjustments for:		
Depreciation	782	740
Dividends, interest and rents from investments	(1)	(1)
Decrease/(increase) in debtors	(1,336)	585
Increase in creditors	441	202
Capital grants from DfE and other capital income	(1,401)	(1,107)
Defined benefit pension scheme obligation inherited	-	91
Defined benefit pension scheme cost less contributions payable	547	1,138
Defined benefit pension scheme finance cost	91	173
Transfer of fixed assets from LA	-	(3,528)
Net cash (used in)/provided by operating activities	(809)	967

21. Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	(17)	(17)
Net cash used in financing activities	(17)	(17)

22. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(1,041)	(1,382)
Capital grants from DfE Group	1,401	1,107
Net cash provided by/(used in) investing activities	361	(274)

23. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	1,532	1,997
Total cash and cash equivalents	1,532	1,997

24. Capital commitments

	2019 £000	2018 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	273	-

25. Pension commitments

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

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

Contributions amounting to £132,000 were payable to the schemes at 31 August 2019 *(2018 - £ -)* and are included within creditors.

Teachers' Pension Scheme

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

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

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £905,000 *(2018 - £827,000)*.

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 2019 was £508,000 *(2018 - £462,000)*, of which employer's contributions totalled £387,000 *(2018 - £351,000)* and employees' contributions totalled £ 121,000 *(2018 - £111,000)*.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.65	3.8
Rate of increase for pensions in payment/inflation	2.15	2.3
Discount rate for scheme liabilities	1.9	2.7

25. Pension commitments (continued)

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

	2019 Years	2018 Years
Retiring today		
Males	22.8	22.7
Females	25.8	25.6
Retiring in 20 years		
Males	25.0	24.9
Females	28.1	28

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	268	209
Discount rate -0.1%	(307)	(216)
Mortality assumption - 1 year increase	(387)	(193)
Mortality assumption - 1 year decrease	373	187
CPI rate +0.1%	(32)	(23)
CPI rate -0.1%	32	23

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	2,735	2,392
Gilts	143	103
Corporate bonds	377	389
Property	579	513
Cash and other liquid assets	128	68
Investment funds	157	111
Asset backed securities	218	138
Unit trust	44	-
Total market value of assets	4,381	3,714

The actual return on scheme assets was £185,000 *(2018 - £180,000)*.

25. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	2018 £000
Current service cost	805	1,217
Past service cost	129	-
Interest income	(107)	(79)
Interest cost	197	172
Administrative expenses	1	1
Total amount recognised in the Statement of financial activities	1,025	1,311

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

	2019 £000	2018 £000
At 1 September	7,237	5,854
Conversion of academy trusts	-	1,371
Past service costs	129	-
Current service cost	805	879
Interest cost	197	172
Employee contributions	121	111
Actuarial losses/(gains)	1,759	(1,145)
Benefits paid	(25)	(5)
At 31 August	10,223	7,237

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

	2019 £000	2018 £000
At 1 September	3,714	2,487
Conversion of academy trusts	-	591
Interest income	107	79
Actuarial gains	78	101
Employer contributions	387	351
Employee contributions	121	111
Benefits paid	(25)	(5)
Administration expenses	(1)	(1)
At 31 August	4,381	3,714

26. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy trust 2019 £000	*academy trust* 2018 £000
Not later than 1 year	26	9
Later than 1 year and not later than 5 years	58	16
Later than 5 years	18	36
	102	61

27. 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.

28. 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 sectors organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The academy trust employed Mrs E Palmer, Mr J Palmer and Mr B Palmer close family members of Mr P Palmer (Trustee, CEO and Accounting Officer of Equals Trust). All received remuneration commesurate with that of other employees holding the same position in the academy trust and Mr P Palmer did not partake in the decision making process regarding their remuneration or performance management.

Mrs K Foale is a close family member of Mr P Foale (Chair and Trustee of Equals Trust) and is an elected member of Nottinghamshire County Council. Equals Trust receive grant funding from Nottinghamshire County Council as disclosed in note 3. In addition Nottinghamshire County Council provide payroll, HR and other support services to Equals Trust on normal commercial terms.