

Company Registration Number: 10279606 (England & Wales)

EQUALS TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

EQUALS TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS 2021

Members	S Kingman D Blackman A Demetriou A Beaumont A Devlin
Trustees	P Foale, Chair S Jaques (Resigned 14 July 2021) B Walker P Palmer, CEO & Accounting Officer L Williams, Vice Chair C Keast R Patel Z Adam, Chair of Finance & Audit Committee (Resigned 31 August 2021) J Panagamuwa J Hughes (co-opted) K Platts (Resigned 20 May 2021) B Kent (Appointed 26 September 2021) V Hayles (Appointed 26 September 2021) P Unsworth (Appointed 13 October 2021)
Company registered Number	10279606
Company name	Equals Trust
Principal and registered	Equals Trust office c/o Keyworth Primary and Nursery School Nottingham Road Keyworth Nottingham NG12 5FB
Company secretary	C Cox (Trust Compliance Manager)
Trust finance manager	C Willimsky CPFA
Senior management team	P Palmer – CEO C Willimsky – CFO (Joined 01/12/2020) P Cresswell - Executive Head Teacher J Cook - Head Teacher L Noble - Head Teacher C Aldrich - Head Teacher R Gilbey - Head Teacher L Jamson - Head Teacher (Joined 01/01/2021) K Bartlett - Head Teacher L Barbuti - Head Teacher (Joined 01/09/2021) G Kenny - Head Teacher L Toom - Head Teacher (School converted 01/11/2020) J Cunliffe - Head Teacher (01/01/2021 to 16/04/2021) J Shirt - Head Teacher (19/04/2021 to 31/08/2021) M Robinson (Retired 31/12/2020) M North (Resigned 31/12/2020)

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REFERENCE AND ADMINISTRATIVE DETAILS 2021
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Independent auditor	Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW United Kingdom
Banker	Lloyds Banking Group 12-16 Lower Parliament Street Nottingham NG1 3DA
Solicitors	Stone King LLP 1 Aire Street Leeds LS1 4PR

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Equals Trust ('the Trust') operates twelve primary schools across the boroughs of Rushcliffe and Gedling within Nottinghamshire. It has pupil capacity of 3,465 and had a roll of 3,294 in the Autumn 2020 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 Trust.

The Trustees are also the directors of the charitable company for the purposes of company law. The charitable company operates as Equals Trust. Details of the trustees who served throughout the year and to the date the approval of this report 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

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides unlimited cover.

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 and procedures adopted for the induction and training of Trustees

The Compliance 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.

The Compliance Manager provides reports to LGBs following every Trust Board meeting. Matters referred from LGBs to the Trust Board are presented to Trustees by the Compliance Manager, providing a secure communication channel between layers of governance.

Termly briefings for Headteachers and Chairs of LGBs informs them of their responsibilities for the term

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.

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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 Chief Finance Officer (CFO), governance responsibilities to the Compliance Manager and teaching and learning responsibilities to the Leadership Group, which consists of Executive Head Teacher and Head Teachers 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 effectively communicate 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 Head Teacher 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.

h. Trade union facility time

Relevant union officials

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

Percentage of time Number of employees

0%	-
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1%-50%	-
--------	---

51%-99%	-
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100%	-
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Percentage of pay bill spent on facility time	£000
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Total cost of facility time	-
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Total pay bill	14,132
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Percentage of total pay bill spent on facility time	- %
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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 2021.

j. Engagement with employees (including disabled persons)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention, and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

k. Engagement with suppliers, customers, and others in a business relationship with the academy trust

Please see Promoting Success section.

Objectives and activities

a. Objects and aims

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;

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- 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; and
- 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; and
- securing cost and resource efficiencies through joint commissioning.

During the year ending 31 August 2021 the principal activity of the charitable company was the operation of 12 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.

b. Objectives, strategies and activities

Equals Trust has achieved the aim of its second phase of growth, which included a steady expansion to 12 schools or 3,300 pupils, whilst maintaining the Trust ethos, vision and values. Equals Trust has grown in a planned and manageable way to maximise economies of scales, efficiencies in working practices, local collaboration, and access to funding that enhances the high standards of education of pupils currently within the Trust.

Our Trust model has been proven successful and represents a significant opportunity for like-minded schools to share in the benefit of our genuinely collaborative approach. This model gives us a genuine USP within the local area. Further Trust growth would build a stronger platform to deliver innovative and successful developments in education to the benefit of children in our schools. To ensure the future security of the Trust we should ensure that management structures are sufficient to support any growth, especially in educational standards, finances and that governance procedures continue to allow clarity at Board level to allow Directors to fulfil their responsibilities.

With 12 schools we are in a strong position and have a good capacity in the central team to expand further. The next stage of growth is a very important one and we need to make the most of all opportunities open to us. This includes sponsoring underachieving schools and supporting local place planning by applying to open Free schools. Equals Trust believes it has a responsibility to share the good practice it is developing beyond the existing Trust schools and to further increase the provision and opportunities for the children in our care. The Trust is open to all opportunities presented to it and will consider the benefits they offer.

To accommodate further expansion, the Trust has implemented new strategies for finance, estates and technologies which enables Equals Trust to grow effectively. To support further expansion, Equals Trust will apply for Trust Capacity Funding (TCaF). The organisation of the management and leadership structures, including the Leadership Group and governance, also ensure the ongoing integrity of the Trust.

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

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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 of consistent procedures for gathering feedback and enquiries, both internally and externally.
- Ensure all internal communications are appropriate, co-ordinated and accessible.

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 or 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

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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".

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

The Trust expanded to 12 schools over the course of the 2020-21 academic year, welcoming Abbey Road Primary School (joining on 1 November 2020) as a member. The Trust provided education for 3,200 primary school aged children in Nottinghamshire.

The quality of education provided by Trust schools was sustained over the year, reflected in the inspection judgements from Ofsted:

- No Ofsted inspection due

Collaboration and stakeholder engagement is at the centre of the Trust, supporting sustained development over time, while maintaining the unique identity of each school.

Attainment and Progress

There were no national statutory assessments in 2020/21 as all primary age key stage assessments were cancelled due to the Covid-19 crisis and the related disruption to education.

Trust schools did undertake summative end of year assessments. For Yr6 this was 2019 national test materials and Yrs3-5 this was NFER benchmarked materials (in reading, maths, spelling and grammar). For other year groups this was teacher assessment and for writing it was teacher assessment for all year groups. The benchmarking provided for NFER and 2019 tests was from pre-Covid times so whilst informative (and has been used extensively by schools to evaluate the impact of catch up strategies) it is not suitable to be reported on formally as the benchmarks would be misleading. There are no national benchmarks for these assessments in Covid times.

Although not statutory in June/July, trust schools undertook phonics screening with pupils using 2019 national materials. Again, schools have used these to evaluate the impact of their catch-up strategies, but they are not suitable to report on publicly as no national benchmarks exist.

The performance of all schools and in each individual assessment was reviewed by the EQT Trust Board (in July 2021) and used to prioritise support and focus the spending of the trust-wide 1% School Improvement Pot.

School Improvement

The Trust's School Improvement Lead continued to deliver a curriculum development programme of CPD for the Headteachers and curriculum leaders of all Trust schools. Key areas of the programme included:

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- Training from the Head of the Kyra Research School with a focus on the Education Endowment Fund's research and strategies that support cognitive approaches to teaching.
- Trust-wide CPD for subject leaders has enabling a subject specific approach to curriculum development and design across Trust schools
- Individual work with subject leaders at each school as part of the annual School Improvement Visits programme

A number of trust-wide Subject Teaching and Learning practitioners were selected at the end of the year and they will form a key element of the 2021/22 improvement strategy.

In Autumn 2020 and Spring 2021 an extensive amount of work related to developing remote learning systems and capabilities was undertaken. This covered a wide range of elements such as: the setting up of systems, staff training, the sharing of best practice and evaluating and reviewing provision. Each school had an extensive review of its remote learning provision and in all schools, this was evaluated as exceeding DfE requirements.

Governance

Local Governing Bodies have reported their monitoring to the Trust Board using a consistent format across ten broad areas. A calendar of monitoring and reporting enables the Trust Board to gain an overview of trends and exceptions in standards across schools.

LGBs have consistent clerking and half of all their meetings are attended by the Compliance Manager, who provides a secure communication and reporting channel to the Trust Board. The membership of the Trust Board has remained consistent this year, with all Trustees appointed for their skills and expertise.

HR Department

2020-21 was an extremely busy year for HR supporting schools and Head Teachers through the Covid-19 pandemic. HR worked hard to produce timely, accurate and supportive policies and guidance to schools to help them navigate through the many ever-changing facets the pandemic brought and continues to bring.

The Trust made two key leadership appointments this year with new Head Teachers at Willow Farm Primary School and Richard Bonington Primary School after a rigorous recruitment and selection process. Both Head Teachers have made a positive impact in their own schools as well as contributing to the Trust leadership group.

A trust-wide staff wellbeing strategy has been produced and wellbeing remains high on our agenda. A wellbeing Champion was appointed on the Trust Board. Staff surveys were conducted to gain an understanding of staff feeling and culture and to provide focus for future wellbeing initiatives. A Trust wellbeing website has been developed as a one-stop-shop where employees can find information and resources to aid their physical and mental health – from signposting to organisations that can help to mindfulness videos to information about how to access our employee assistance programme.

The Trust employed ten early career teachers and has developed a programme of CPD and support to help them through the new national induction programme working with our partner organisations.

The HR Department continues to help Trust schools to work within our policies and procedures to ensure we do things right first time. The HR service supports our schools to achieve what they want to achieve whilst staying within the law, policy and operating with best practice in mind. HR combines strategic visioning and the operational, day to day queries and support with casework.

Covid-19

Member schools have continued to rise to the challenges of the Covid-19 partial closure of schools and re-opening through a consistent team approach. Schools were supported in responding to a wide range of complex situations and Headteachers provided with personalised support. With the help of the Central Trust

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team, the Headteachers have benefited from a collaborative approach, with consistent documentation, risk assessments and communication. Use of technology was significantly developed during lockdown to communicate with staff groups, pupils, Trustees and Governors. The capabilities of the existing IT provision was realised through use of virtual meetings, lessons and resources.

Individual risk assessments for clinically vulnerable and clinical extremely vulnerable staff have enabled changes to be made to working practices where appropriate, while still maintaining provision for keyworker and vulnerable children. Home schooling provision was maintained across all schools, with staff working from home appropriately deployed to ensure quality resources were supplied.

Staff and pupil welfare was a priority throughout the partial closure and when children were welcomed back to school. Health and safety assessments were consistently applied and dialogue with unions was maintained to ensure that any concerns were allayed.

LGBs approved the risk assessments used by schools through meetings held virtually, also receiving reports on the provision in school during the national crisis. Consistent reporting formats enabled school leaders to share expertise. PPE and Covid-19 related resources were bought centrally to ensure the best use of the budget.

Throughout the Covid-19 partial closure of schools a programme of curriculum development CPD was maintained. Methods and approaches to home learning were developed and successful practice was shared and promoted across trust schools.

a. Key performance indicators

During the 2020/21 year none of our schools received an Ofsted inspection. Inspections were temporarily halted during the Covid-19 pandemic and have now recommenced. A number of our schools are expecting an Ofsted inspection in the 2021/22 year.

During the previous year two trust schools (Keyworth Primary and Nursery School and Crossdale Primary School) received an OFSTED inspection.

OFSTED visited Keyworth Primary and Nursery School in October 2019 – we are really proud of what they said about our school, and especially our children! The comments below in italics have been taken directly from the report:

Behaviour and Attitudes:

- *Around the school, pupils are kind and polite; they do not disrupt lessons*
- *Everyone gets on well here; pupils behave with kindness to each other.*
- *Pupils feel safe in school. They say that staff will help them if they are ever worried.*
- *Any bullying is extremely rare, and teachers attend to it immediately.*

Teaching and Learning:

- *Classrooms, including early years, are busy places where everyone can learn well. Teachers expect all pupils to pay close attention in class. This, as well as interesting work, mean that lessons proceed without disruption.*
- *Exciting teaching means that every child wants to join in.*
- *Lessons are interesting. Teachers deliver them through exciting topics.*
- *Every member of staff works hard to make sure that pupils do as well as they can.*
- *Even those who need extra support to catch up know that they are improving quickly. They are keen to show what they can do.*

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FOR THE YEAR ENDED 31 AUGUST 2021
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Leadership:

• Effective and determined senior leaders have improved this school rapidly since it opened [as an academy in 2016]. They have made it clear to all staff that every child must succeed in all subjects. They have taken decisive action to drive up pupils' progress.

• Leaders make sure that staff are well trained in safeguarding. Staff all know the importance of reporting any concerns they have. Leaders keep detailed safeguarding records and take brisk action to help pupils at risk of harm.

OFSTED visited Crossdale Primary School in November 2019. In verbal feedback to governors and their report, inspectors were especially complimentary about the behaviour and enthusiasm of our wonderful children!

We are especially proud that inspectors singled out our provision for Personal Development to be a particular strength as it is a testament to our ethos and values summarised by the motto, 'A Family of Learning, Growing Together'. In doing so, the inspectors judged that Crossdale met the following criteria to achieve their top rating:

• The school consistently promotes the extensive personal development of pupils. The school goes beyond the expected, so that pupils have access to a wide, rich set of experiences. Opportunities for pupils to develop their talents and interests are of exceptional quality.

• There is strong take-up by pupils of the opportunities provided by the school. The most disadvantaged pupils consistently benefit from this excellent work.

• The school provides these rich experiences in a coherently planned way, in the curriculum and through extra-curricular activities, and they considerably strengthen the school's offer.

• The way the school goes about developing pupils' character is exemplary and is worthy of being shared with others.

STRENGTHS

To give you a flavour of the strengths identified in the report, the comments below, in italics, have been taken directly from the OFSTED report:

CHILDREN'S BEHAVIOUR AND ATTITUDES:

• 'Coming to Crossdale school makes me happy,' was a typical comment from several pupils.

• Pupils want to improve their work and are proud of what they produce

• Pupils learn to value teamwork and creativity.

• Pupils [...] understand how the values that they are learning about, such as democracy and fairness, underpin what they do at school.

• Pupils [...] feel that the school's behaviour code, known as 'The Crossdale Way' helps them to live together well [...] Pupils tell us that behaviour is good and disagreements are rare.

• Pupils [...] could not recall any bullying taking place. They can explain what they would do if it did happen. They are confident that staff would deal with it quickly.

TEACHING AND LEARNING:

• Teachers expect pupils to do their best.

• At Crossdale pupils learn through many rich and varied experiences [...] Parents comment positively about these wider opportunities.

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- *Children get off to a swift start in learning how to read. Teachers check which sounds they know [...] Most pupils become fluent readers.*
- *Teachers help pupils to become confident mathematicians [...] They ensure that pupils practise what they are learning until they become fluent.*
- *Pupils enjoy the topics that they learn. They remember what they have learned in previous years and make connections with what they are learning now.*
- *Pupils are well supported, including those with special educational needs and/or disabilities (SEND).*
- *Teachers are ambitious for pupils with SEND and make sure that they are well prepared for the next stage of their learning [...] They work with parents and carers and other agencies to make sure that pupils get the help that they need.*
- *Teachers make sure that pupils learn how to stay safe online. Pupils know that they have to be careful about the information that they share with others.*

LEADERSHIP:

- *Leaders have developed an ambitious curriculum for pupils.*
- *Leaders and teachers know the steps that pupils need to make to be well prepared for the next stage of their learning. Pupils achieve well.*
- *Leaders ensure that pupils are prepared for life in modern Britain.*
- *Leaders make sure that all staff receive regular safeguarding training [...] Leaders act promptly to deal with any concerns [...] They check that this is making a difference.*
- *Governors fulfil their responsibilities well. They challenge leaders to maintain their high ambitions for all pupils.*

b. Going concern

After making appropriate enquires, the Board of Trustees has reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Trustees continue to assess the ongoing financial impact of Covid-19, and whilst there are likely to be additional costs incurred during the pandemic, these are not currently expected to impact the ability of the Trust to continue as a going concern.

The 3-year budget forecast shows the increase in GAG funding over this time should see the Trust in a healthy financial position, with reserves available to support the move from CIF to SCA funding for capital projects.

c. Promoting the success of the company

Under section 172(1)(a) to (f) of the Companies Act 2006, the Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing

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educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 460 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our members

The Trustees are committed and openly engaged with our Members through regular and effective dialogue with them, including an Annual General Meeting. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for four years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

EQUALS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(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 2021 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £16,982k compared to total resources expended of £19,634k to give a deficit for the year of £2,652k. The movement on the Trusts general reserves in the year, which excludes depreciation and FRS102 pension adjustments, was a surplus of £317k. This surplus was after a transfer from unrestricted general funds to capital funds of £229k.

The Trust has £34,368k of accumulated reserves carried forward, of which £983k were general reserves (comprising restricted income funds of £435k and unrestricted income funds of £548k).

The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit of £11,532k.

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.

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

b. Reserves policy

The finance strategy has focussed the schools on their responsibilities to each other and the Trust. Monthly management account meetings support the setting and running of balanced operational budgets that are aimed at developing a surplus. These add to the accumulated Trust reserves and are considered to support all schools. This includes schools who have intermediate pressures on their budgets. Recovery and Sustainability Plans as part of the School Overview reporting, ensures that health and safety and standards in schools are supported, but any deficits are recovered and plans made that ensure a schools financial viability. All school schools Estates and IT are being planned for centrally to take further pressure off the school finances.

The Trust has been very successful in its applications for CIF bid, seeking professional advice from AMR consultants. Over recent years it has been awarded £6,000,000 in projects for its schools. However, this has meant that £300,000 of accumulated reserves has been allocated to these as the schools contribution. AMR will continue to support Equals Trust in implementing its Estates Strategy as it will qualify for School Condition Allocation (SCA) from April 2022 due to its growth.

The Trust's '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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

The level of funds at the period end, excluding the restricted fixed asset fund; endowment funds and the pension reserve, amounted to £983k. The Trustees consider an appropriate level of restricted general reserves to be at 5% of annual revenue funding.

The Trust is currently holding reserves in excess of 5% in preparation of the move from CIF capital funding to SCA capital funding following growth of the trust. Building condition surveys of all our schools will be taking place before Spring 2022 and reserves may be needed to meet any shortfall in the available capital funding.

c. 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.

d. Principal risks and uncertainties

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

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

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

Failure to comply with statutory health and safety legislation remains a significant risk following conversion and as such the Trust'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.

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the Trust would be applicable if so.

EQUALS TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)**

Streamlined energy and carbon reporting –

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy consumption used to calculate emissions (kwh)	2,285,056
Energy consumption break down	
Gas (kwh)	1,569,533
Electricity (kwh)	770,523
Wood pellets (tonnes)	22.99
<u>Scope 1 emissions in metric tonnes</u>	
Gas	287.48
Wood pellets	1.67
<u>Total scope 1</u>	289.15
<u>Scope 2 emissions in metric tonnes</u>	
Purchased electricity	163.61
<u>Scope 3 emissions in metric tonnes</u>	
Business travel in employee owned vehicles	0.12
Total gross emissions in metric tonnes CO ₂ e	452.88
<u>Intensity ratio</u>	
Tonnes CO ₂ e per pupil	0.14

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

CORRECTED UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kwh)	1,859,338
Energy consumption break down	
Gas (kwh)	1,252,329
Electricity (kwh)	607,009
Wood pellets (tonnes)	327.6
<u>Scope 1 emissions in metric tonnes</u>	
Gas	230.27
Wood pellets	23.68
<u>Total scope 1</u>	253.95
<u>Scope 2 emissions in metric tonnes</u>	
Purchased electricity	141.52
<u>Scope 3 emissions in metric tonnes</u>	
Business travel in employee owned vehicles	1.24
Total gross emissions in metric tonnes CO2e	396.71
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.14

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

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.

With the addition of Abbey Road Primary School, Equals Trust now has 12 member schools and has achieved its original strategic milestone. To enable further expansion the current review must ensure that the three current structures of governance, finance, education and estates enable this process to be supported.

With the further emphasis on growth, the Trust has developed its original expansion criteria to address the changes to national guidelines and strategy and the need for the Trust to develop financial resilience and provide capacity to further improve educational outcomes.

Equals Trust believes it has a responsibility to share the good practice it is developing beyond the existing Trust schools and to further increase the provision and opportunities for the children in our care. The Trust is open to all opportunities presented to it and will consider the benefits they offer, including sponsoring schools and opening Free Schools to support local pupil placement.

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

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.

One other school has also indicated an interest in joining Equals Trust during the past year. 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 Rushcliffe School Behaviour and Attendance Partnership. The organisation exists to improve the educational provision in Rushcliffe communities and so is aligned to the objectives of the Trust.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

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 Dec 20, 2021 and signed on its behalf by:

Peter Foale
Peter Foale (Dec 20, 2021 13:09 GMT)

P Foale
Chair of Trustees

EQUALS TRUST
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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.

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

The board of Trustees has delegated the day-to-day responsibility to the 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 six times during the year ended 31 August 2021.

Trust Board meetings

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	6
S Jaques	4	5
I Walker	5	6
P Palmer, CEO & Accounting Officer	6	6
L Williams, Vice Chair	5	6
C Keast	6	6
R Patel	3	6
Z Adam, Chair of Finance & Audit Committee	0	6
J Panagamuwa	6	6
J Hughes	5	6
K Platts	1	5

The Board of Trustees has overall responsibility for the administration of the Trust finances. The primary responsibilities of the Board of Trustees 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.

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for

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GOVERNANCE STATEMENT (CONTINUED)

the Trust.

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.

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)	2	4
I Walker	4	4
J Hughes	3	4
P Palmer, (CEO & Accounting Officer)	4	4
P Foale	3	3
L Noble (Attendee)	1	1
P Cresswell, (Attendee)	1	1

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.

The Pay and Remuneration Committee ensure the monitoring of appraisal standards for the CEO, Head Teachers and Executive Team. Consistency of approach is determined by a rigorous analysis of the targets set and the process followed, ensuring that high standards are set, while individuals are not disadvantaged by factors outside of their control.

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GOVERNANCE STATEMENT (CONTINUED)

The committee have determined that there is no excessive pay for the staff members analysed and the Trust is proud of its Gender Pay Gap report.

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)	1	2
P Palmer, (CEO & Accounting Officer)	2	2
J Panangamuwa	1	2
I Walker	2	2
P Foale	2	2

Standards Committee meetings

The Standards Committee monitor the progress, attainment and absence data across all schools in the Trust. The monitoring of school improvement and development of staff through clearly planned CPD and bespoke programmes developed by the School Improvement Lead are analysed and assessed against the data drawn from standardised tests, teacher assessment and senior leadership and governor monitoring.

The absence of standardised tests hindered the analysis of data by the committee but have set out a clear process for establishing catch-up monitoring and assessment following remote learning and return to face to face teaching. The committee is satisfied that remote learning during lockdown was appropriate and carefully applied, taking into account the needs of individual school cohorts.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Jaques	2	3
C Keast	3	3
P Palmer	3	3
W Williams	3	3

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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 Equals Trust 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 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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Equals Trust for the period from 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 Audit 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

The board of Trustees has appointed TIAA Ltd as internal auditors for the 2020/21 year following the growth of the trust to 12 schools and a change to the Academies Financial Handbook. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Key Financial Controls – Payroll and Payments
- Property Compliance
- Strategic Risk Management.

The audits delivered the schedule of work planned and identified improvements to existing procedures and controls and updates to policies. No significant areas of concern have been noted and recommendations will be implemented.

Review of effectiveness

As Accounting Officer, Chief Executive officer has responsibility for reviewing the effectiveness of the system of internal control.

During the year ended 31 August 2021 the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the review of existing procedures by the Chief Finance Officer
- the financial management and governance self-assessment process
- 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 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 Dec 20, 2021 and signed on their behalf by


Peter Foale (Dec 20, 2021 13:09 GMT)

P Foale
Chair of Trustees


Philip Palmer (Dec 20, 2021 11:42 GMT)

P Palmer
CEO and Accounting Officer

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STATEMENT OF 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 2020.

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 2020.

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


Philip Palmer (Dec 20, 2021 11:42 GMT)

P Palmer
CEO & Accounting Officer
Date: Dec 20, 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- 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 Dec 20, 2021 and signed on its behalf by:


Peter Foale (Dec 20, 2021 13:09 GMT)

P Foale
Chair of Trustees

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INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Equals Trust ("the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (Incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 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 at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

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INDEPENDENT AUDITORS REPORT
(CONTINUED)

We have nothing to report in this regard.

Opinions 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 Directors' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 Directors' Report including the incorporated 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 by the company, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 28, the directors 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 Directors 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 Directors 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 Directors 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual

EQUALS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS REPORT
(CONTINUED)

transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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 the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.


David Hoose (Dec 20, 2021 13:26 GMT)

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date Dec 20, 2021

EQUALS TRUST
(A company limited by guarantee)

**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 5 October 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Equals Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Equals Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Equals Trust's funding agreement with the Secretary of State for Education dated 14 July 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

EQUALS TRUST
(A company limited by guarantee)

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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Mazars (Dec 20, 2021 13:27 GMT)

Reporting Accountant
Mazars LLP
Park View house
58 The Ropewalk
Nottingham
NG1 5DW

Date Dec 20, 2021

EQUALS TRUST
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestrict ed Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
Income and endowments from:	Note	£000	£000	£000	£000	£000
Donations and capital grants	3	71	-	1,520	1,591	2,316
Transfer from local authority on conversion		285	(1,265)	(149)	(1,129)	7,616
Charitable activities:						
Funding for the academy trust's						
educational operations	4	376	15,721	-	16,097	12,757
Other trading activities	5	423	-	-	423	335
Investments	6	-	-	-	-	1
Total		1,154	14,456	1,371	16,982	23,025
Expenditure on:						
Raising funds	7	153	-	-	153	130
Charitable activities:						
Academy trust educational operations	8	843	16,340	935	18,118	15,053
Total		996	16,340	935	18,272	15,183
Net income / (expenditure)		158	(1,884)	436	(1,290)	7,842
Transfers between funds	17	(229)	-	229	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	(1,362)	-	(1362)	537
Net movement in funds		(71)	(3246)	665	(2,652)	8,379
Reconciliation of funds						
Total funds brought forward		619	(7,851)	44,252	37,020	28,641
Total funds carried forward		548	(11,097)	44,917	34,368	37,020

EQUALS TRUST
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**BALANCE SHEET
AS AT AUGUST 2021**

	Notes	2021 £000	2021 £000	2020	2020
Fixed assets					
Tangible assets	13		43,922		43,799
Current assets					
Debtors	14	1,367		2,009	
Cash at bank and in hand		2,723		1,936	
		4,090		3,945	
Liabilities					
Creditors: Amounts falling due within one year	15	(2,111)		(2,820)	
Net current assets			1,978		1,125
Total assets less current liabilities			45,900		44,924
Creditors: Amounts falling due after more than one year	16		-		(6)
Net assets excluding pension liability			45,900		44,918
Defined benefit pension scheme liability	25		(11,532)		(7,898)
Total assets			34,368		37,020
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	44,917		44,252	
. Restricted income fund	17	435		47	
. Pension reserve	17	(11,532)		(7,898)	
Total restricted funds			33,820		36,401
Unrestricted income funds	17		548		619
Total funds			34,368		37,020

The financial statements on pages 34 to 65 were approved by the trustees, and authorised for issue on

Peter Foale
Peter Foale (Dec 20, 2021 13:09 GMT)

Dec 20, 2021

Mr P Foale
Chair of Trustees

EQUALS TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,397	384
Cash flows from investing activities	22	(608)	22
Cash flows from financing activities	21	(3)	(2)
Change in cash and cash equivalents in the reporting period		787	404
Cash and cash equivalents at 1 September 2020		1,936	1,532
Cash and cash equivalents at the 31 August 2021	23 / 24	2,723	1,936

The notes on pages 37 – 65 form part of these financial statements.

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021**

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 2019 to 2020 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.

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

1. Accounting policies (continued)

1.3 Income (continued)

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the 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

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

1. Accounting policies (continued)

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.

1.6 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.

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

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

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.

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

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.

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

1. Accounting policies (continued)

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Richard Bonington Primary and Nursery School and Brookside Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

1.15 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.

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

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:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 valuation the Leasehold Land and Buildings of Abbey Road Primary School have been based on those of a similar school within the trust, because an ESFA valuation has still to be received.

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

3. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Capital Grants	-		1,520	1,520	2,224
Transfer from local authority on conversion	285	(1,265)	(149)	(1,129)	7,616
Donations	71	-	-	71	92
	<u>356</u>	<u>(1,265)</u>	<u>1,371</u>	<u>462</u>	<u>9,932</u>
Total 2020	133	(1,681)	11,480	9,932	-

Within transfer from local authority is a decrease to income of £3,819k in relation to the correction of the estimated 2020 property valuations on conversion for 2 schools upon the receipt of the ESFA property valuations during the year.

4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£000	£000	£000	£'000
DfE / EFA grants				
General Annual Grant (GAG)	-	12,361	12,361	10,059
Start Up Grants	-	-	-	25
Pupil Premium	-	489	489	395
UFSM	-	486	486	390
Sports Premium	-	217	217	190
Teachers Pay and Pension grant	-	602	602	513
Other DfE / ESFA grants	-	51	51	27
	<u>-</u>	<u>14,206</u>	<u>14,206</u>	<u>11,599</u>
Other Government grants				
Local authority grants	-	1,090	1,090	689
	<u>-</u>	<u>1,090</u>	<u>1,090</u>	<u>689</u>
Covid-19 additional funding (DfE / ESFA)				
Catch-up premium	-	261	261	-
Other DfE / ESFA Covid-19 funding	-	16	16	20
	<u>-</u>	<u>1,367</u>	<u>1,367</u>	<u>709</u>
Other income from the academy trust's educational operations	376	148	524	449
	<u>376</u>	<u>15,721</u>	<u>16,097</u>	<u>12,757</u>
Total 2020	281	12,476	12,757	-

The academy received £261k of funding for catch-up premium and costs incurred in respect of this funding totalled £153k, with the remaining £108k to be spent in 2021/22

A number of staff in Heymann Breakfast Club and After School Club were furloughed in the year. The number of staff involved was 18 and the trust received £1,378.

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

5. Other Trading activities

	Unrestricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	92	92	71
Before and after school clubs	209	209	213
Other Income	121	121	51
	<hr/> 423	<hr/> 423	<hr/> 335
Total 2020	335	335	-

6. Investment income

	Unrestricted Funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	0	0	1
	<hr/> 0	<hr/> 0	<hr/> 1
Total 2020	1	1	

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

7. Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
	£000	Premises £000	Other £000	2021 £000	2020 £000
Expenditure on raising funds	135	-	18	153	130
Academy's educational operations:					
. Direct costs	11,238	-	635	11,872	9,961
. Allocated support costs	2,868	955	2,423	6,246	5,092
	14,241	955	3,076	18,272	15,183
2020	11,511	1,805	1,867	15,183	

Net income/(expenditure) for the period includes:

	2021 £000	2020 £000
Operating lease rentals	39	24
Depreciation	935	1,024
Fees payable to auditor for:		
- Audit	25	19
- Other services	1	8

EQUALS TRUST
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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2021
(CONTINUED)**

**8. Charitable Activities - Academy's
Educational operations**

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations	11,872	9,961
Support costs – educational operations	6,246	5,092
	18,118	15,053

Analysis of support costs

	Educational operations £000	Total 2021 £000	Total 2020 £000
Support staff costs	2,868	2,868	2,202
Depreciation	935	935	1,024
Technology costs	80	80	139
Premises costs	955	955	781
Pension admin costs	-	-	2
Other support costs	1,306	1,306	817
Governance costs	102	102	127
Total support costs	6,246	6,246	5,092

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**NOTES TO THE FINANCIAL
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(CONTINUED)**

9. Staff

a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	9,980	8,145
Social security costs	933	743
Operating costs of defined benefit pension schemes	3,199	2,536
	14,112	11,424
Supply staff costs	109	87
Staff restructuring costs	20	-
	14,241	11,511
Staff restructuring costs comprise:		
Severance payments	20	-

b. Non statutory/non contractual staff severance payments

There were no non-statutory/non-contractual severance payments made in the year.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	178	161
Administration and support	278	258
Management	12	12
	468	431

The average number of full time equivalent employed by the academy during the period was as follows:

	2021 No.	2020 No.
Teachers	142	127
Administration and support	156	139
Management	12	12
	310	278

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**NOTES TO THE FINANCIAL
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d. Higher paid staff

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

	2021	2020
	No.	No.
£60,001-£70,000	-	5
£70,001-£80,000	6	2
£80,001-£90,000	2	2

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) received by key management personnel for their services to the academy trust was £1,138k (2020 £1,152k).

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**NOTES TO THE FINANCIAL
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10. Central Services

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

- human resources
- financial services
- legal services
- educational support services

The trust charges for these services on the following basis:

- flat percentage of General Annual Grant (GAG) income at 5%

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Heymann Primary & Nursery School	118	110
Burton Joyce Primary School	58	57
Cropwell Bishop Primary School	37	37
Tollerton Primary School	37	38
Robert Miles Junior School	48	47
Keyworth Primary & Nursery School	28	27
Crossdale Primary School	37	34
Willow Farm Primary School	40	40
Flintham Primary School	22	22
Richard Bonington Primary & Nursery	79	21
Brookside Primary School	48	64
Abbey road	66	-
	618	497

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11. Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from 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.

P Palmer has been paid remuneration of £85,000-90,000 (2020: £80,000-85,000) salary and £20,000-25,000 (2020: £20,000-25,000) pension from an employment with the academy trust.

12. Trustees' and Officers' Insurance

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

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13. Tangible Fixed Assets

	Long-term Leasehold Property	Furniture and Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2020	46,657	114	220	46,991
Transfer on conversion	(149)			(149)
Additions	1,129	26	52	1,207
At 31 August 2021	47,637	140	272	48,049
Depreciation				
At 1 September 2020	2,971	35	186	3,192
Charged for the year	877	12	46	935
Disposals				
At 31 August 2021	3,848	47	232	4,127
Net book values				
At 31 August 2021	43,789	93	40	43,922
At 31 August 2021	43,686	79	34	43,799

14. Debtors

	2021	2020
	£'000	£'000
Trade debtors	50	11
VAT Recoverable	158	231
Other debtors	17	18
Prepayments and accrued income	1,141	1,749
	1,367	2,009

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15. Creditors: Amounts Falling Due within one Year

	2021	2020
	£'000	£'000
Trade Creditors	715	1,155
Other taxation and social security	237	190
Other Loan	6	3
Other creditors	411	327
Accruals and deferred income	742	1,145
	2,111	2,820

	2021	2020
	£'000	£'000
Deferred income		
As at 1 September 2020	491	198
Release from previous years	(491)	(198)
Resources deferred in year	419	491
Deferred income at 31 August 2021	419	491

Deferred income at the year end is in relation to funds received for Universal Infant Free School Meals £266,000 (2020 - £227,000), HLN / AFN of £153,000 (2020: £167,000).

Included within other creditors is a CIF loan from the ESFA of £6,000 (2020 £9,000) to fund capital works at Cropwell Bishop Primary. The loan is provided with zero interest and is payable over 8 years.

16. Creditors: Amounts Falling Due after one Year

	2021	2020
	£'000	£'000
Other Loan	-	6
	-	6

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(CONTINUED)**

17. Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
		£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	47	12,361	(12,081)	-	327
Other income		1,254	(1,254)		
- Other DFE / ESFA grants	-	51	(51)	-	-
- Pupil Premium	-	489	(489)	-	-
- UIFSM	-	486	(486)	-	-
- Sports Premium		217	(217)		
- Teachers pay and pension		602	(602)		
- Covid catch up premium		261	(153)		108
Pension reserve	(7898)	(1,265)	(1,007)	(1,362)	(11,532)
	(7851)	14,456	(16,340)	(1,362)	(11,097)
Restricted fixed asset funds					
Transfer on conversion	38,082	(149)	(782)	-	37,151
DfE/EFA capital grants	5,972	1,520	(149)	229	7,572
Capital expenditure from GAG	198	-	(4)	-	194
	44,252	1,371	(935)	229	44,917
Total restricted funds	36,401	15,827	(17,275)	(1,133)	33,820
Total unrestricted funds	619	1,154	(996)	(229)	548
Total funds	37,020	16,982	(18,272)	(1,362)	34,368

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

The pension reserve of £11,532k (overdrawn) represents the Academy Trust's share of the deficit in the Nottinghamshire pension funds.

The unrestricted fund of £548k represents the surplus generated by the Academy Trust on activities for generating funds. The transfer from unrestricted reserves to the fixed asset reserve in the year of £229k was to part fund capital expenditure.

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 2021.

Restricted Fixed Asset Funds relate predominantly to the assets acquired on conversion to an academy trust, being properties.

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17. Funds (continued)

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	674	10,059	(10,531)	(155)	47
Pupil Premium	-	395	(395)	-	-
Other Grants	-	1,145	(1,145)	-	-
Other Income	-	877	(877)	-	-
Pension reserve	(5,842)	(1,681)	(912)	537	(7,898)
	(5,168)	10,795	(13,860)	382	(7,851)
Restricted fixed asset funds					
Transfer on conversion	29,556	9,256	(730)	-	38,082
DfE/EFA capital grants	4,032	2,224	(284)	-	5,972
Capital expenditure from GAG	53		(10)	155	198
	33,588	11,480	(1,024)	-	44,252
Total restricted funds	28,473	22,275	(14,884)	537	36,401
Total unrestricted funds	168	750	(299)	-	619
Total funds	28,641	23,025	(15,183)	537	37,020

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**NOTES TO THE FINANCIAL
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17. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total	Total
	2021	2020
	£000	£000
Burton Joyce Primary	142	130
Cropwell Bishop Primary	(134)	(58)
Crossdale Primary	(20)	7
Heymann Primary and Nursery	386	359
Keyworth Primary and Nursery	20	(3)
Robert Miles Junior	155	125
Tollerton Primary	76	96
Flintham Primary	18	(1)
Willow Farm Primary	12	10
Richard Bonington Primary and Nursery	(41)	6
Brookside Primary	79	42
Abbey Road Primary	362	-
Central Services	(72)	(47)
Total before fixed assets and pension reserve	983	666
Restricted fixed asset fund	44,917	44,252
Pension reserve	(11,532)	(7,898)
Total	34,368	37,020

The Trust had three schools in deficit as at 31 August 2021 and there was a deficit on the provision of central services.

Cropwell Bishop Primary has seen a reduction in pupil numbers over several years and a staffing restructure has taken place with effect from 1 September 2021. Savings have been made from non-staffing budgets and significant additional income will be received for lettings in future years. A housing development of 80 houses is currently under construction within the school's catchment area which is expected further improve the financial position of the school in future years.

Richard Bonington Primary and Nursery is forecast to benefit from the funding increase in the General Academies Grant in September 2021 and again in September 2022. Forecasts for future years show an in-year surplus which will eliminate the deficit balance next year.

Crossdale Primary is in deficit due to a revenue contribution to essential capital works completed using CIF funding. The school is already starting to benefit from an increase in pupil numbers due to multiple housing developments within or close to its catchment area. Future years are forecast to have an in year surplus which should clear the deficit in two years.

The Central Services budget is forecast to benefit from increases in funding and pupil numbers across the Trust over the next three years. We are forecasting an in-year surplus for future years which will see the central services eliminate the deficit balance over the next three years.

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17. Funds (continued)

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excl Dep)	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000
Burton Joyce Primary	927	128	44	246	1,345	1,425
Cropwell Bishop Primary	720	91	36	161	1,008	922
Crossdale Drive Primary	638	69	41	153	901	872
Heymann Primary and Nursery	2,136	461	91	385	3,073	2,929
Keyworth Primary and Nursery	533	111	16	128	788	741
Robert Miles Junior School	847	119	57	136	1,160	1,154
Tollerton Primary School	631	94	32	114	871	848
Flintham Primary School	387	53	12	86	539	554
Willow Farm	712	111	52	123	998	941
Richard Bonington Primary and Nursery	1,625	203	55	254	2,137	1,793
Brookside Primary School	837	102	75	199	1,214	465
Abbey road	1,124	167	54	249	1,594	-
Central services	120	1,292	66	228	1,706	1,515
Academy Trust	11,238	3,003	635	2,461	17,336	14,159

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**NOTES TO THE FINANCIAL
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18. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	43,922	43,922
Current assets	548	2,546	995	4,090
Current liabilities	-	(2,111)	-	(2,111)
Pension scheme liability	-	(11,532)	-	(11,532)
Total net assets	548	(11,097)	44,917	34,368

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	43,799	43,799
Current assets	619	2,864	462	3,945
Current liabilities	-	(2,817)	(3)	(2,820)
Non-current liabilities	-	-	(6)	(6)
Pension scheme liability	-	(7,898)	-	(7,898)
Total net assets	619	(7,851)	44,252	37,020

19. Commitments under operating leases

At 31 August 2021 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	40	24
Amounts due between one and five years	46	37
Amounts due after five years	-	14
	86	75

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(CONTINUED)**

20. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities	2021	2020
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,290)	7,842
Adjusted for:		
Depreciation charges (note 13)	935	1,024
Capital grants from DfE and other capital income	(1,520)	(2,224)
Interest receivable (note 6)	-	(1)
Defined benefit pension scheme obligation inherited	1,265	1,681
Defined benefit pension scheme cost less contributions payable (note 29)	865	782
Defined benefit pension scheme finance cost (note 29)	142	130
Decrease/(increase) in debtors	1,563	(353)
(Decrease)/increase in creditors	(712)	752
Transfer on conversion	149	(9,249)
Net cash provided by / (used in) Operating Activities	1,397	384
21. Cash Flows from Financing Activities	2021	2020
	£000	£000
Repayments of borrowing	(3)	(11)
Cash inflows from new borrowing	-	9
Net cash provided by / (used in) financing activities	(3)	(2)
22. Cash Flows from Investing Activities	2021	2020
	£000	£000
Dividends, interest and rents from investments	-	1
Purchase of intangible fixed assets	-	(2,203)
Purchase of tangible fixed assets	(1,207)	-
Capital grants from DfE/EFA	599	2,224
Net cash provided by / (used in) investing activities	(608)	22
23. Analysis cash and cash equivalents	At 31 August	At 31 August
	2021	2020
	£000	£000
Cash in hand and at bank	2,723	1,936
Total cash and cash equivalents	2,723	1,936

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
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24. Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	New Borrowing £'000	At 31 August 2021 £'000
Cash	1,936	787	-	2,723
Loans falling due within one year	(3)	(3)	-	(6)
Loans falling due after more than one year	(6)	6	-	-
Total	1,927	790	-	2,717

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**NOTES TO THE FINANCIAL
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25. Pension and Similar Obligations

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

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £124,570 were payable to the schemes at 31 August 2021 (2020: £207,000) 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

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25. Pension and Similar Obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £1,507,067 (2020 £1,237,000). 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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2021 was £914,000 (2020: £672,000), of which employer's contributions totalled £708,000 (2020: £515,000) and employees' contributions totalled £206,000 (2020: £157,000). The agreed contribution rates for future years are 20.8% for employers and 5.5% – 12.5% for employees.

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

Principal actuarial assumptions	At 31 August 2021 %	At 31 August 2020 %
Rate of increase in salaries	3.85	3.25
Inflation assumption (CPI)	2.85	2.25
Discount rate for scheme liabilities	1.70	1.65

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
+Males	21.6	21.8
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.9

Sensitivity Analysis on defined benefit obligation	At 31 August 2021 £'000s	At 31 August 2020 £'000s
Discount Rate +0.1%	572	393
Discount Rate -0.1%	(589)	(405)
Mortality assumption – 1 year increase	(859)	(503)
Mortality assumption – 1 year decrease	825	486
CPI rate +0.1%	510	51
CPI rate -0.1%	(495)	(50)
Salary increase - +0.1%	71	51
Salary increase – 0.1%	(71)	(50)

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25. Pension and Similar Obligations (continued)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	5,924	3,765
Gilts	298	245
Corporate Bonds	576	540
Property	935	829
Cash and other liquid assets	373	248
Inflation linked fund	437	237
Infrastructure	494	369
Unit Trust	87	68
Total market value of assets	9,124	6,301

The actual return on scheme assets was £1,109,000 (2020: £87,000).

Amounts recognised in the statement of financial activities

	2021 £'000	2020 £'000
Current service cost	(1,569)	(1,295)
Interest income	123	107
Interest cost	(265)	(237)
Admin expenses	(4)	(2)
Total amount recognised in SOFA	(1,715)	(1,427)

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

	2021 £'000	2020 £'000
As at 1 September	14,199	10,223
Conversion of academy trust	2,144	2,825
Current service cost	1,569	1,295
Interest cost	265	237
Employee contributions	206	157
Actuarial (gain)/loss	2,348	(557)
Benefits paid	(75)	19
At 31 August 2021	20,656	14,199

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Pension and Similar Obligations (continued)

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

	2021	2020
	£'000	£'000
As at 1 September 2020	6,301	4,381
Conversion of academy trust	879	1,144
Interest income	123	107
Actuarial gain/(loss)	986	(20)
Employer contributions	708	515
Employee contributions	206	157
Benefits paid	(75)	19
Administrative expenditure	(4)	(2)
At 31 August 2021	9,124	6,301

26. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

The academy trust employed Mrs E Palmer (2020: Mrs E Palmer) close family member of Mr P Palmer (Trustee, CEO and Accounting Officer of Equals Trust). She received remuneration commensurate with that of other employees holding the same position in the academy trust and Mr P Palmer did not partake in the decision making process regarding their remuneration or performance management.

The academy trust employed Ms L Brodie, close family member of Mrs L Hussey (member of key management of Equals Trust). She received remuneration commensurate with that of other employees holding the same position in the academy trust and Mrs L Hussey 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 and of Equals Trust) and is an elected member of Nottinghamshire County Council. Equals Trust receive grant fundings from Nottinghamshire County Council as disclosed in note 4. In addition, Nottinghamshire County Council provide payroll, HR, catering and other support services to Equals Trust on normal commercial terms.

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.

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28. Local Authority Conversion into the Academy Trust

On 1 November 2020, Abbey Road Primary School joined the trust..

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Leasehold land and buildings	-	3,670	3,670
LGPS pension surplus / (deficit)	(1,265)	-	(1,265)
Cash balance	285	-	285
Net assets / (liabilities)	(980)	3,670	2,690

29. Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	894	659