

Company Registration Number:

10279606 (England & Wales)

EQUALS TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



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REFERENCE AND ADMINISTRATIVE DETAILS 2022

Members	S Kingman D Blackman A Demetriou A Beaumont A Devlin
Trustees	P Foale, Chair B Walker P Palmer, CEO & Accounting Officer L Williams, Vice Chair C Keast R Patel (Resigned 27 May 2022) J Panagamuwa J Hughes 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 Office	Equals Trust 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 P Cresswell - Executive Head Teacher J Cook – Executive Head Teacher L Noble - Head Teacher C Aldrich - Head Teacher (Retired 31/08/2022) J Wells – Head Teacher (Joined 01/09/2022) R Gilbey - Head Teacher L Jamson - Head Teacher K Bartlett - Head Teacher (Retired 30/04/2022) J Dunderdale (Joined 01/05/2022) L Barbuti - Head Teacher (Joined 01/09/2021) G Kenny - Head Teacher L Toom - Head Teacher

**REFERENCE AND ADMINISTRATIVE DETAILS 2022
(CONTINUED)**

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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 3,480 and had a roll of 3,383 in the Autumn 2022 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 and the financial statements 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 Trust 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 Trust 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 Trust 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.

**TRUSTEES' REPORT
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f. Organisational structure

The management structure consists of four levels: the Members, Trustees and the appointed committees, the senior management of the Trust and Local Governing Bodies. The aim of this structure is to devolve responsibility to those best able to make the appropriate decisions.

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

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

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time Number of employees

**TRUSTEES' REPORT
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0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	15,251
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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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 2022.

j. Engagement with employees (including disabled persons) (S172 statement)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings and conferences, 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.

**TRUSTEES' REPORT
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k. Engagement with suppliers, customers, and others in a business relationship with the academy trust (S172 statement)

Please see Promoting Success section.

Objectives and activities

a. Objects and aims

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

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

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

What makes Equals Trust distinctive?

- Equals is equal, created by Head Teachers.
- The right balance on the continuum between autonomy and control.
- Support and development without control; for example, a Reserves policy and an Asset Management Plan that recognises individual school need.
- EQT is proactive and not reactive, by developing positive relationships, good practice and good communication; for example, month end finance meetings, well-being strategy, open and honest school improvement, IT scheme.
- Schools are still called Primaries and remain distinctive to their communities.
- All schools have chosen to join Equals Trust.
- As a Leadership Group, Head Teachers shape the strategic development of Equals Trust, they are part of the governance.
- The emphasis is on collaborative working; there is a 1% budget for teaching and learning.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Quotes from Head Teachers

- 'What it isn't is what makes it attractive.'
- 'Schools can get on with being schools and Head Teachers can get on with being Head Teachers, but with a great level of support.'
- 'We live and work by the same values and so we have ownership of the trust we believe in what we do.'

During the year ending 31 August 2022 the principal activity of the charitable company was the operation of 12 primary phase academies across the Rushcliffe, Gedling and Arnold 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.

Equals Trust has a strategy for further growth which includes building capacity in the Executive Team. The Trust is already regarded as strong and effective but 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 Trustees 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. 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.

c. Public benefit

The objects of Equals Trust are to advance for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carry on, managing and developing schools offering a broad and balanced curriculum or education. Equals Trust will promote for the benefit of such inhabitants or the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need for such facilities by reason of their youth, age, infirmity of disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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 provided education for 3,380 primary school aged children in Nottinghamshire and the quality of education provided by Trust schools was sustained over the year. This was reflected in inspection judgements from Ofsted:

- Willow Farm Primary School – inspected December 2021. Judgement: Good

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

This was the first year since 2019 of statutory assessment. As per DfE and OFSTED guidance these figures must be viewed knowing the COVID impact has not been the same in all schools. Nonetheless we are pleased with the outcomes attained by our schools in 2022. For a number of schools (and specific measures on average trust-wide) the attainment and progress values were markedly higher than they were in 2019 even though nationally there had been a decline when comparing data from the two years.

The performance of all schools in each individual assessment was reviewed by the EQT Trust Board (in July 2022) and used to prioritise support and focus the spending of the trust-wide 1% School Improvement Pot.

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	Yr1 Phonic s	Yr2 Phonic s	KS1 R EXS+	KS1 W EXS+	KS1 M EXS+	KS1 R HS	KS1 W HS	KS1 M HS	
National	65%	76%	89%	67%	58%	69%	18%	8%	15%
Abbey Road	70%	92%	95%	85%	76%	81%	32%	19%	27%
Brookside	78%	92%	98%	83%	80%	85%	26%	17%	26%
Burton J	73%	96%	100%	84%	78%	80%	24%	11%	22%
Cropwell B	67%	89%	93%	84%	72%	84%	32%	16%	28%
Crossdale	77%	89%	100%	83%	70%	83%	37%	23%	33%
Flintham	82%	100%	100%	75%	75%	75%	25%	13%	31%
Heyman	66%	81%	96%	72%	63%	87%	14%	7%	14%
Keyworth	57%	77%	83%	35%	38%	41%	7%	7%	10%
Richard B	67%	88%	95%	70%	51%	68%	18%	4%	16%
RM Junior									
Tollerton	77%	79%	96%	76%	68%	72%	40%	20%	36%
Willow Farm	77%	90%	93%	73%	70%	77%	33%	20%	13%

	KS2 R EXS+	KS2 W EXS+	KS2 M EXS+	KS2 GPS EXS+	KS2 R HS	KS2 W HS	KS2 M HS	KS2 GPS HS	R Progr ess	W Progr ess	M Progr ess
National	74%	69%	71%	72%	28%	13%	23%	29%	0	0	0
Abbey Road	89%	81%	86%	91%	57%	24%	51%	65%	3.7	0.7	2.9
Brookside	94%	90%	84%	90%	42%	26%	36%	45%	3.3	3.8	4.5
Burton J	87%	87%	85%	83%	34%	34%	40%	36%	2	3.6	2.4
Cropwell B	75%	72%	79%	61%	21%	14%	36%	32%	-0.8	1.3	-0.3
Crossdale	90%	83%	83%	87%	30%	23%	37%	33%	2.2	2.7	3
Flintham	90%	70%	100%	80%	50%	30%	70%	40%	-0.7	0.3	5.1
Heyman	89%	82%	81%	82%	41%	27%	33%	34%	2.8	2.6	1.4
Keyworth	70%	73%	50%	57%	13%	17%	20%	7%	-0.5	1.8	-1.7
Richard B	62%	80%	64%	64%	23%	10%	23%	15%	-1.1	1.9	0.1
RM Junior	75%	73%	83%	78%	28%	18%	25%	36%	0	1.2	2
Tollerton	83%	78%	86%	83%	31%	25%	24%	24%	0.4	3.3	0.6
Willow Farm	94%	87%	91%	81%	41%	13%	41%	22%	4	1.7	3.2

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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:

- 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 appointed and the impact of their work has meant this strand of our SI strategy will extend further in 2022/23.

Only one school was inspected in the 2021/22 academic year. Willow Farm was inspected in December 2021 and rated as a good school in all areas. The impact of the leadership team at the school and the trust was identified as strengths.

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 Trust 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

2021-22 was another busy year for HR supporting schools and Head Teachers through the continuing issues from the Covid-19 pandemic. HR has continued to work hard to support Head Teachers and staff with a wide range of initiatives, case work, advice, support and guidance that the ever-changing education and legal landscape brings.

The Trust made two key leadership appointments this year with new Head Teachers at Flintham Primary School and Tollerton 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.

Wellbeing remains high on our agenda and the Trust Wellbeing Strategy is on track. We continue to provide resources, guidance and practical support to our staff to aid their wellbeing. We have provided mindfulness sessions, access to occupational health, counselling sessions and wide range of other support through our employee assistance programme. The wellbeing Trust group continues to meet regularly and push forward the wellbeing agenda.

The Trust employed ten early career teachers in September 2021 and worked with them through our Trust ECT development programme of CPD and support, the first year of which focussed on their wellbeing. As they move forward to year 2 of our programme, we continue to provide bespoke support and CPD opportunities tailored to them and their career stage.

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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Our work has been aided by the introduction of our new HR Management Information System which gives us access to information which will greatly support our work and enable us to provide benchmarking data and KPI information to the Board.

Covid-19

Member schools have continued to rise to the ongoing challenges Covid-19. Whilst things have settled considerably over the past year, the pandemic continues to affect our schools with staff absences, cost implications and supporting vulnerable staff.

a. Key performance indicators

During the 2021/22 year one of our schools received an Ofsted inspection and number of our schools are expecting an Ofsted inspection in the 2022/23 year.

OFSTED visited Willow Farm Primary School in December 2021 – 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:

- *The school is calm and orderly. Pupils are well behaved*
- *Older pupils set an example for younger ones to follow.*
- *All pupils know the school's rules and know why it is important to '...be safe, be ready and be respectful.'*

Teaching and Learning:

- *The school's curriculum is ambitious. It is well sequenced across all subjects and the early years.*
- *Teachers plan interesting lessons. Pupils enjoy learning new things and they work hard.*
- *A new programme for teaching phonics has been introduced. It is working well.*

Leadership:

- *Senior leaders have ensured that staff are united and committed to the school's vision.*
- *Leaders check on how well the school's curriculum is being taught and remembered.*
- *Governors have a good understanding of their duties. They are effective in their role. They carry out a wide range of checks to make sure that the school is working effectively and to ensure that it continues to improve. They are well supported by the trust.*

Trust Support

- *The school has benefited from well-tailored support from the trust. This has helped leaders to bring about improvements in the curriculum, reading and leadership at all levels.*

b. Going concern

Equals Trust is responsible for 12 primary schools and roughly 3,380 pupils. The only current risk to the Trust continuing as a going concern is the recent cost increases which have been significantly greater than the planned funding increases. A plan of action is in place to address this risk and the Trust remains a going concern.

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The recent agreement of the Local Government (support staff) pay award and teacher pay award has been built into our forecasts, as have the previous and future energy price increases and the estimated contract price increases for services purchased from Nottinghamshire County Council, who are also affected by the Local Government pay award. The 3-year forecast currently shows an in-year deficit in all three years with revenue reserves being in deficit by the end of 2024/25.

Additional recruitment controls are in place and have already had a positive impact on some school budgets. A full review of all school budgets will be taking place in December 2022 and will be the first step in moving the Trust back towards a healthy budget from 2023/24 onwards. The budget review will identify savings targets for all schools and areas where savings can be made. The level of reserves held at the end of 2021/22 will ensure reserves remain healthy despite the forecast in-year deficit for 2022/23 giving the Trust time to make savings for future years.

The Trust has now moved from CIF capital funding to SCA and is receiving more capital funding than originally expected. A full survey of all schools has been completed and an Asset Management Plan for the Trust has been prepared. The planned works will be fully met by the available capital funding and a revenue contribution to the works is no longer expected, reducing demands on our revenue funding.

There are a number of Local Authority maintained schools which have expressed interest in joining the Trust. Those looking to begin the process soonest have historically had healthy reserves and balanced budgets. Through our financial due diligence work we will make sure that any school wanting to join the Trust is financially sustainable before they convert to academy status.

With schools joining the Trust we will have to expand the capacity of our school improvement and central services. We will be applying to the Trust Capacity Fund (TCaF) for financial support to expand the central team so that we do not require reserves to fund our expansion. Where we add staff to our central services we will be making sure the centralised funding is used as efficiently as possible and the previous deficits are balanced out by future surpluses.

c. Promoting the success of the company (S172 statement)

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 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 480 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 six 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 2022 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £17,736k compared to total resources expended of £20,292k to give a deficit for the year of £2,556k. The movement on the Trusts general reserves in the year, which excludes depreciation and FRS102 pension adjustments, was a surplus of £122k. This surplus was after a transfer from unrestricted general funds to capital funds of £118k.

The Trust has £43,189k of accumulated reserves carried forward, of which £1,105k were general reserves (comprising restricted income funds of £397k and unrestricted income funds of £708k).

The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit of £1,552k.

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 2022 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 Estates and IT are being planned for centrally to take further pressure off the school finances.

The Trust has previously been very successful in its applications for CIF bids, 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. From April 2022 the Trust qualified for School Condition Allocation (SCA) funding rather than CIF. Revenue contributions will no longer be required once the final CIF projects are completed early in the 2022/23 financial year.

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.

The level of funds at the period end, excluding the restricted fixed asset fund; endowment funds and the pension reserve, amounted to £1,105k. The Trustees consider an appropriate level of restricted general reserves to be between 5% and 10% of annual revenue funding.

The Trust is currently holding reserves in excess of 5% to support school budget shortfalls due to rising costs. Reserves will be available to cover any deficits while a savings plan is prepared to ensure reserves continue to be healthy in future years.

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 and future growth of the Trust. In line with our vision and values, we strive to ensure that education remains at the forefront of all decision making.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Future funding levels are unknown beyond 2023/24 and there is uncertainty regarding overall school funding across the country following the Chancellor's announced requirement for savings from all areas of the public sector. Additionally, the increased costs due to pay awards and inflation are not covered by the known funding increases over the next two years, placing further pressure on school budgets. The Trust considers that its current reserves policy will support our schools in the short term and enable longer term financial plans to be implemented.

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 Trustees, 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.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022

UK Greenhouse Gas Emissions and Energy Use Data for the Period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kwh)	2,152,964	2,285,056
Energy consumption break down		
Gas (kwh)	1,367,209	1,569,533
Electricity (kwh)	785,755	770,523
Wood pellets (tonnes)	93.16	22.99
<u>Scope 1 emissions in metric tonnes</u>		
Gas	246.10	287.48
Wood pellets	4.71	1.67
<u>Total scope 1</u>	250.81	289.15
<u>Scope 2 emissions in metric tonnes</u>		
Purchased electricity	151.95	163.61
<u>Scope 3 emissions in metric tonnes</u>		
Business travel in employee owned vehicles	6.81	0.12
Total gross emissions in metric tonnes CO ₂ e	409.57	452.88
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.12	0.14

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 2022 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 been modernising heating systems across the Trust to ensure heating is as efficient as possible and have further heating works scheduled for the next 3 years in our Asset Management Plan.

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.

Equals Trust has 12 member schools and has achieved its original strategic milestone for growth. 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.

A number of other schools have indicated an interest in joining Equals Trust during the past year and we expect to grow further over the coming years. Equals Trust continues to attract enquiries from other schools locally who are exploring potential Academy conversion.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

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 and signed on its behalf by:


Peter Foale (Dec 20, 2022 12:37 GMT)

P Foale

Chair of Trustees

Date: Dec 20, 2022

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

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 four times during the year ended 31 August 2022.

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
V Hayles	6	6
I Walker	5	6
P Palmer, CEO & Accounting Officer	5	6
L Williams, Vice Chair	6	6
C Keast	5	6
R Patel	1	5
B Kent, Chair of Finance & Audit Committee	5	6
J Panagamuwa	6	6
J Hughes	3	6
P Unsworth	5	6

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;

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES'

- 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.

Conflicts of interest

Trustees and senior leaders have a legal duty to act only in the best interests of their charity. They must not put themselves in any position where their duties as trustee may conflict with any personal interest they may have.

This means that they handle conflicts of interest using the following steps:

- Identifying any conflict
- Preventing the conflict influencing the decision by ensuring that those with a conflict are not included in the discussion and decision involved
- Recording the conflict through the minutes of meetings and by making a declaration of business interest annually, which is recorded in the Register of Business Interests and published on the Trust website.

The Trust follows guidance issued by the Charity Commission regarding conflicts of interest. The Trust Compliance Manager is responsible for ensuring that conflicts of interest are recorded and published as well as advising Trustees and senior leaders in such circumstances.

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 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.

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Trustee	Meetings attended	Out of a possible
B Kent, (Chair of Finance & Audit Committee)	2	4
I Walker	3	4
J Hughes	4	4
P Palmer, (CEO & Accounting Officer)	4	4
P Foale	3	4
J Panagamuwa	3	4

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.

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

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)	0	1
P Palmer, (CEO & Accounting Officer)	1	1
B Kent	1	1
I Walker	1	1
P Foale	0	1

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.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
V Hayles	3	4
C Keast	3	3
P Palmer, (CEO & Accounting Officer)	2	3
P Unsworth	2	3
W Williams	4	4

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.
- 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 up to the date of approval of the annual report and financial statements. The board of Trustees regularly reviews this process.

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 2021/22 year. 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:

- Governance Strategic Control
- ICT Cyber Security
- Budgetary Control
- Follow-up of last year's recommendations.

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.

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022 the review has been informed by:

- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

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 and signed on their behalf by


Peter Foale (Dec 20, 2022 12:37 GMT)


Philip Palmer (Dec 20, 2022 11:54 GMT)

P Foale
Chair of Trustees

P Palmer
CEO and Accounting Officer

Date: Dec 20, 2022

Date: Dec 20, 2022

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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


Philip Palmer (Dec 20, 2022 11:54 GMT)

P Palmer

CEO & Accounting Officer

Date: Dec 20, 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

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 and signed on its behalf by:


Peter Foale (Dec 20, 2022 12:37 GMT)

P Foale
Chair of Trustees

Date: Dec 20, 2022

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EQUALS TRUST

Opinion

We have audited the financial statements of Equals Trust (“the ‘ Academy Trust’”) for the year ended 31 August 2022 which comprise the Statement of Financial Activities (incorporating 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 2021 to 2022 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 2022 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 2021 to 2022.

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 trustees’ 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 academy trust’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 trustees 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 trustees are responsible for the other information. 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EQUALS TRUST

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.

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 Trustees' 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 Trustees' 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 30, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EQUALS TRUST

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 activities, 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 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the trustees' 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, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

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

- Making enquiries of the trustees 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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EQUALS TRUST

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, 2022 12:59 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, 2022

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

In accordance with the terms of our engagement letter dated 9 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Mazars LLP (Dec 20, 2022 13:00 GMT)

Mazars LLP

Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 20, 2022

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	92	67	1,078	1,238	1,591
Transfer from local authority on conversion		(8)	-	(1,480)	(1,488)	(1,129)
Charitable activities:						
Funding for the academy trust's educational operations	4	677	16,877	-	17,553	16,097
Other trading activities	5	432	-	-	432	423
Investments	6	-	-	-	291	-
Total		1,194	16,944	(402)	17,736	16,982
Expenditure on:						
Raising funds	7	161	-	-	161	154
Charitable activities:						
Academy trust educational operations	8	754	18,379	997	20,131	18,118
Other						
Total		915	18,379	997	20,292	18,272
Net income / (expenditure)		278	(1,435)	(1,399)	(2,556)	(1,290)
Transfers between funds	17	(118)	-	118	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	11,377	-	11,377	(1,362)
Net movement in funds		160	9,942	(1,281)	8,821	(2,652)
Reconciliation of funds						
Total funds brought forward		548	(11,097)	44,917	34,368	37,020
Total funds carried forward		708	(1,155)	43,636	43,189	34,368

BALANCE SHEET
AS AT AUGUST 2022
Company registration number 10279606

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	13		43,081		43,922
Current assets					
Debtors	14	727		1,367	
Cash at bank and in hand		3,325		2,723	
		<u>4,052</u>		<u>4,090</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(2,393)		(2,112)	
Net current assets			<u>1,660</u>		<u>1,978</u>
Total assets less current liabilities			44,741		45,900
Creditors: Amounts falling due after more than one year	16		-		-
Net assets excluding pension liability			<u>44,741</u>		<u>45,900</u>
Defined benefit pension scheme liability	25		(1,552)		(11,532)
Total assets			<u>43,189</u>		<u>34,368</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	43,636		44,917	
Restricted income fund	17	397		435	
Pension reserve	17	(1,552)		(11,532)	
Total restricted funds			42,481		33,820
Unrestricted income funds	17		708		548
Total funds			<u>43,189</u>		<u>34,368</u>

The financial statements on pages 37 to 70 were approved by the trustees and authorised for issue .

Peter Foale
Peter Foale (Dec 20, 2022 12:37 GMT)

Mr P Foale
Chair of Trustees

Date: Dec 20, 2022

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022	2021
		£000	£000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	1,096	1,397
Cash flows from investing activities	22	(491)	(607)
Cash flows from financing activities	21	(3)	(3)
Change in cash and cash equivalents in the reporting period		602	787
Cash and cash equivalents at 1 September 2020		2,723	1,936
Cash and cash equivalents at the 31 August 2021	23	3,325	2,723

The notes on pages 32 to 61 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

- **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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

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

1.13 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

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 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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:

There are no critical estimates.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

3. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	£000	£000	£000	£000	£000
Capital Grants	-	67	1,078	1,146	1,520
Transferred on conversion	(8)	-	(1,480)	(1,488)	(1,129)
Donations	92	-	-	92	71
	<hr/> 84	<hr/> 67	<hr/> (402)	<hr/> (250)	<hr/> 462
2021	356	(1,265)	1,371	462	

Within transfers from local authority on conversion there is a decrease to income of £1,480k in relation to the correction of the estimated 2021 property valuations on conversion upon receipt of the ESFA property valuations during the year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	13,952	13,952	12,361
Pupil Premium		556	556	489
UIFSM		513	513	486
Sports Premium		220	220	217
Teachers pay and pension		21	21	602
Other DfE/EFA grants	-	352	352	51
	-	15,616	15,616	14,206
Other Government grants				
. Local authority grants	-	1,007	1,007	1,090
. Special educational projects	-	87	87	-
	-	1,094	1,094	1,090
Other income from the academy trust's educational operations	677	167	834	524
Covid catch up premium		-	-	261
Other DfE / ESFA covid -19 funding		-	-	16
	677	16,877	17,553	16,097
2021	376	15,721	16,097	

5. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	100	-	100	92
Before and after school clubs	305	-	305	209
Other Income	27	-	27	122
	432	-	432	423
2021	423	-	423	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

6. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £
Short term deposits	-	-	-	-
	-	-	-	-
2021	-	-	-	

7. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises Other £000 £000		Total 2022 £000	Total 2021 £000
Expenditure on raising funds	151	-	10	161	153
Academy's educational operations:					
Direct costs	11,770	-	1,057	12,827	11,872
Allocated support costs	3,510	1,006	2,788	7,304	6,247
	15,431	1,006	3,855	20,292	18,272
2021	14,241	955	3,076	18,272	

Net income/(expenditure) for the period includes:

	2022 £000	2021 £000
Operating lease rentals	47	39
Depreciation	997	935
Fees payable to auditor for:		
- audit	27	25
- other services	3	1

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

8. Charitable Activities – Academy’s Education Operations

	Total	Total
	2022	2021
	£000	£000
Direct costs – educational operations	12,827	11,872
Support costs – educational operations	7,304	6,246
	20,131	18,118

Analysis of support costs	Educational	Total	Total
	operations	2022	2021
	£000	£000	£000
Support staff costs	3,510	3,510	2,868
Depreciation and Amortisation	997	997	935
Technology costs	92	92	80
Premises costs	1,006	1,006	955
Other support costs	1,604	1,604	1,306
Governance costs	95	95	102
Total support costs	7,304	7,304	6,246

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

9. Staff

a. Staff Costs

Staff costs during the period were:	Total 2022 £000	Total 2021 £000
Wages and salaries	10,519	9,980
Social security costs	1,001	933
Operating costs of defined benefit pension schemes	3,727	3,199
	15,248	14,112
Supply staff costs	178	109
Staff restructuring costs	5	20
	15,431	14,241
Staff restructuring costs comprise:		
Severance payments	5	20

b. Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

0 - £25,000	1
£25,001 - £50,000	0
£50,001 - £100,000	0
£100,001 - £150,000	0
£150,000+	0

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	182	178
Administration and support	295	278
Management	12	12
	489	468

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

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

	2022	2021
	No.	No.
Teachers	145	142
Administration and support	166	156
Management	12	12
	323	310

d. Higher paid staff

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

	2022	2021
	No.	No.
£60,001-£70,000	3	-
£70,001-£80,000	6	6
£80,001-£90,000	2	2
£110,001-£120,000	-	-
£120,001-£130,000	-	-

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 £1,125k (2021 £1,138k).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

10. Central Services

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

- Human resources
- Financial services
- Legal services
- Governance and clerking services
- School Improvement services
- ICT replacement scheme

The trust charges for these services on the following basis:

- Flat percentage of General Annual Grant (GAG) income at 5.75% (5% in 2020/21)

The 5.75% charge to schools is split into three separate budgets:

- 4% for Central Services
- 1% for additional school improvement projects, led by the Leadership Group (Headteachers of all academies in the trust)
- 0.75% for the ICT replacement scheme (new in 2021/22)

The ICT replacement scheme was new for 2021/22. All schools pay 0.75% into a central budget which is used to replace ICT equipment for schools and school staff, including servers, network equipment, electronic whiteboards and staff devices. This ensures that all schools have up to date ICT equipment regardless of their budget position.

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Heymann	148	118
Burton Joyce	72	58
Cropwell	44	37
Tollerton	45	36
Robert Miles	60	48
Keyworth	37	29
Crossdale	47	36
Willow Farm	51	40
Flintham	25	22
Richard Bonington	101	79
Brookside	69	48
Abbey Road	104	67
	802	618

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

11. Related Party Transactions – Trustees’ Remunerations and Expenses

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

P Palmer has been paid remuneration of £85,000-90,000 (2021: £80,000-85,000) salary and £20,000-25,000 (2021: £20,000-25,000) pension from an employment with the academy trust.

There were no trustee expenses paid.

12. Trustees’ and Officer’s Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim and the cost for the period ended 31 August 2022 was £64,001 (2021: £59,015). The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000
Cost				
At 1 September 2021	47,638	139	272	48,049
Additions	1,469	25	143	1,637
Transfer on conversion	(1,480)	-	-	(1,480)
Disposals				-
At 31 August 2022	47,627	165	414	48,206
Depreciation				
At 1 September 2021	3,850	46	231	4,127
Charged in year	919	12	67	998
Disposals				-
At 31 August 2022	4,768	58	298	5,184
Net book values				
At 31 August 2022	42,859	107	116	43,081
At 31 August 2021	43,788	94	40	43,922

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

14. Debtors

	2022	2021
	£000	£000
Trade debtors	91	50
VAT recoverable	218	158
Other debtors	18	17
Prepayments and accrued income	400	1,142
	727	1,367

15. Creditors: Amounts Falling Due within one Year

	2022	2021
	£000	£000
Trade creditors	663	715
Other taxation and social security	264	237
Loans	4	6
Other creditors	343	411
Accruals and deferred income	1,119	742
	2,393	2,111

Deferred income (Group and MAT)

	2022	2021
	£000	£000
Deferred income at 1 September 2021	419	491
Released from previous years	(419)	(491)
Resources deferred in the year	419	419
Deferred Income at 31 August 2022	419	419

Deferred income relates to £266k of UIFSM and £153k of other LA grants.

16. Creditors: Amounts Falling Due after one Year

	2022	2021
	£000	£000
ESFA Loan	-	-
	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

17. Funds

	Balance at 1 September 2021	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	327	13,952	(13,883)	-	397
Other DFE / ESFA grants	-	352	(352)	-	-
Other income	-	1,330	(1,330)	-	-
Pupil Premium	-	556	(556)	-	-
. UIFSM	-	513	(513)	-	-
. Sports Premium	-	220	(220)	-	-
. Teachers pay and pension	-	21	(21)	-	-
Covid catch up premium	108	-	(108)	-	-
Pension reserve	(11,532)	-	(1,397)	11,377	(1,552)
	(11,097)	16,944	(18,379)	11,377	(1,155)
Restricted fixed asset funds					
Transfer on conversion	37,151	(1,480)	(820)	-	35,671
DfE/EFA capital grants	7,572	1,078	(173)	-	7,653
Capital expenditure from GAG	194	-	(4)	118	312
	44,917	(402)	(997)	118	43,636
Total restricted funds	33,820	16,542	(19,377)	11,495	42,481
Total unrestricted funds	548	1,194	(915)	(118)	708
Total funds	34,368	17,736	(20,292)	11,377	43,189

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

The pension reserve of £1,552 (overdrawn) represents the Academy Trust's share of the deficit in the Nottinghamshire pension funds.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

The unrestricted fund of £708k 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 £118k 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 2022.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

17. Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£000	£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	(7,898)	(1,265)	(1,007)	(1,362)	(11,532)
	(7,851)	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)	(1362)	34,368

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

17. Funds

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	Total	Total
	2022	2021
	£000	£000
Burton Joyce	148	142
Cropwell Bishop	(174)	(134)
Crossdale	2	(20)
Heymann	382	386
Keyworth	6	20
Robert Miles Junior	160	155
Tollerton	102	76
Flintham	(29)	18
Willow Farm	7	12
Richard Bonington	4	(41)
Brookside	137	79
Abbey road	437	362
Central services	(76)	(72)
Total before fixed assets and pension reserve	1,105	983
Restricted fixed asset fund	43,636	44,917
Pension reserve	(1,552)	(11,532)
Total	43,189	34,368

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

17. Funds (continued)

Schools in deficit

The Trust had two schools in deficit as at 31 August 2022 and there was a deficit on the provision of central services.

Cropwell Bishop Primary had a significant drop in pupil numbers several years ago which has recently been reversed. The school has benefitted from a new housing development within its catchment area and pupil numbers continue to increase. The school has budgeted for a further deficit in 2022/23 and plans return to an in-year surplus from the 2023/24 when the increased pupil numbers will begin to affect their funding.

Flintham Primary School had a significant drop in pupil numbers two years ago. A staffing restructure took place in Summer 2021 to limit the deficit before the school sees a funding increase due to changes to the sparsity factor within the funding formula for the General Annual Grant. The funding increase will be phased over two to three years due to the gains cap and the school has budgeted for a smaller in-year deficit in 2022/23 and an in-year surplus from 2023/24 onwards.

The Central Services budget is forecast to return to surplus over the next two years following the increase to GAG and increase in pupil numbers across the Trust. The reduction in balances in 2021/22 is due to the introduction of our new ICT Program for rolling replacement of ICT infrastructure across all schools in the Trust. This scheme is funded from school contributions of 0.75% of GAG and ran at a deficit in its first year due to the amount equipment which needed urgent replacement, this will be balanced out by surpluses in future years.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

17. Funds

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2022	Total 2021
	£000	£000	£000	£000	£000	£000
Burton Joyce	951	138	84	274	1,447	1,345
Cropwell	628	90	66	167	951	1,008
Crossdale	628	74	61	158	921	901
Heymann	2,265	541	203	443	3,452	3,073
Keyworth	609	131	41	144	925	788
Robert Miles	882	124	83	171	1,260	1,160
Tollerton	624	104	48	128	904	871
Flintham	369	60	28	98	554	539
Willow	697	132	88	148	1,065	998
Richard Bon	1,647	197	84	262	2,189	2,137
Brookside	927	124	74	191	1,316	1,214
Abbey Road	1,414	216	145	322	2,097	1,594
Central services	129	1,730	51	301	2,211	1,708
Academy Trust	11,770	3,661	1,057	2,807	19,295	17,336

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

18. Analysis of Net Assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	43,081	43,081
Current assets	708	2,788	555	4,052
Current liabilities	-	(2,391)	-	(2,393)
Pension scheme liability	-	(1,552)	-	(1,552)
Total net assets	708	(1,155)	43,636	43,189

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

19. Commitments under Operating Leases

At 31 August 2022 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Amounts due within one year	49	40
Amounts due between one and five years	64	46
	113	86

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

20. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2022	2021
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,556)	(1,290)
Adjusted for:		
Depreciation charges (note 13)	997	935
Capital grants from DfE and other capital income	(1,146)	(1,520)
Interest receivable (note 6)	-	-
Defined benefit pension scheme obligation inherited	-	1,265
Defined benefit pension scheme cost less contributions payable (note 29)	1,207	865
Defined benefit pension scheme finance cost (note 29)	190	142
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	640	1,563
Increase/(decrease) in creditors	283	(712)
Transfer on conversion	1,480	149
Net cash provided by / (used in) Operating Activities	1,096	1,397

21. Cash Flows from Financing Activities

	2022	2021
	£000	£000
Repayments of borrowing	(3)	(3)
Net cash provided by / (used in) financing activities	(3)	(3)

22. Cash Flows from Investing Activities

	2022	2021
	£000	£000
Dividends, interest and rents from investments	-	-
Purchase of tangible fixed assets	(1,637)	(1,207)
Capital grants from DfE/EFA	1,146	599
Net cash provided by / (used in) investing activities	(491)	(608)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

23. Analysis cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	3,325	2,723
Total cash and cash equivalents	3,325	2,723

24. Analysis of changes in net debt

	At 1 September 2021	Cash flows	New Borrowing	At 31 August 2022
	£000	£000	£000	£000
Cash	2,723	602	-	3,325
Loans falling due within one year	(6)	3	-	(3)
Loans falling due after more than one year	-	-	-	-
Total	2,717	605	-	3,322

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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 £260,000 were payable to the schemes at 31 August 2022 (2021: £124,570) 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 2024.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

25. Pension and Similar Obligations

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.7	21.6
Females	24.4	24.3
<i>Retiring in 20 years</i>		
Males	23	22.9
Females	25.8	25.7

The employer's pension costs paid to TPS in the period amounted to £1,550,339 (2021 £1,507,067).

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 £963,000 (2021: £914,000), of which employer's contributions totalled £751,000 (2021: £708,000) and employees' contributions totalled £212,000 (2021: £206,000). 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 2022	At 31 August 2021
	%	%
Rate of increase in salaries	3.90	3.85
Inflation assumption (CPI)	2.90	2.85
Discount rate for scheme liabilities	4.25	1.70

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

25. Pension and Similar Obligations

	At 31 August 2022	At 31 August 2021
	£000s	£000s
Sensitivity Analysis on defined benefit obligation		
Discount Rate +0.1%	310	572
Discount Rate -0.1%	(318)	(589)
Mortality assumption – 1 year increase	(308)	(859)
Mortality assumption – 1 year decrease	300	825
CPI rate +0.1%	287	510
CPI rate -0.1%	(279)	(495)
Salary increase - +0.1%	36	71
Salary increase – 0.1%	(35)	(71)

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

	Fair value at 31 August 2022 £000	Fair value at 31 August 2021 £000
Equities	5,809	5,924
Gilts	233	298
Corporate Bonds	685	576
Property	1,436	935
Cash and other liquid assets	566	373
Inflation linked fund	517	437
Infrastructure	664	494
Unit Trust	-	87
Total market value of assets	9,910	9,124

The actual return on scheme assets was £786,000 (2021: £1,109,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

25. Pension and Similar Obligations

Amounts recognised in the statement of financial activities

	2022	2021
	£000	£000
Current service cost	(1,954)	(1,569)
Interest income	162	123
Interest cost	(352)	(265)
Admin expenses	(4)	(4)
Total amount recognised in SOFA	(2,148)	(1,715)

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

	2022	2021
	£000	£000
As at 1 September	20,656	14,199
Conversion of academy trust	-	2,144
Current service cost	1,954	1,569
Interest cost	352	265
Employee contributions	212	206
Actuarial (gain)/loss	(11,600)	2,348
Benefits paid	(112)	(75)
At 31 August 2022	11,462	20,656

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

25. Pension and Similar Obligations

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

	2022	2021
	£000	£000
As at 1 September	9,124	6,301
Conversion of academy trust	-	879
Interest income	162	123
Actuarial gain/(loss)	(223)	986
Employer contributions	751	708
Employee contributions	212	206
Benefits paid	(112)	(75)
Administrative expenditure	(4)	(4)
At 31 August 2022	9,910	9,124

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:

A spouse of a trustee was employed by the Trust during the year. The academy trust employed Mrs E Palmer, a 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.

A partner of a trustee was employed was employed by the Trust. The academy trust employed Miss C Arnold. She received remuneration commensurate with that of other employees holding the same position in the academy trust and the trustee 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, cleaning, catering and other support services to Equals Trust on normal commercial terms.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

27. Members Liability

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

28. Capital Commitments

	2022	2021
	£000	£000
Contracted for, but not provided in the financial statements	238	894