

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Directors' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Directors' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25 - 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 54

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Dick L Ellis-Philip G Pincus
Directors	C Howorth, Chair P Green R Kent J McMichael S Pillai (resigned 31 August 2021) D Wales H Greenway (appointed 1 February 2021) M Cuff (appointed 1 February 2021, resigned 31 October 2021)
Company registered number	07692130
Principal and registered office	The Magna Carta School Thorpe Road Staines Surrey TW18 3HJ
Company secretary	E A Simmons
Senior leadership team	T N D Smith, Chief Executive Officer and Accounting Officer (resigned 18 April 2021) M del Río, Chief Executive Officer and Accounting Officer (appointed 1 September 2021) E A Simmons, Chief Financial Officer J Thorpe, TMCS Acting Head of School (fixed term ended 31 August 2021) J Bell, TMCS Head of School (appointed 1 September 2021) J Rodgers, BDB Head of School
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	Lloyds TSB 147 High Street Guildford Surrey GU1 3AG

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors	Stone King LLP 13 Queen Street Bath Avon BA1 2HJ	
Academies operated	Location	Head of School
The Magna Carta School	Surrey	J Thorpe (fixed term ended 31 August 2021) J Bell (appointed 1 September 2021)
Bishop David Brown	Surrey	J Rodgers

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report together with the audited financial statements of Unity Schools Trust ('the charitable company') for the period 31 August 2021.

Structure, governance and management

Constitution

The charitable company, which was incorporated on 4 July 2011, received academy trust status on 1 August 2011 and converted to a multi academy trust on 1 November 2015, 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 Directors act as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Trust operates two secondary academies in Staines upon Thames and Woking. Its academies have a combined pupil capacity of 2,000 and had a roll of 1,802 in the school census on 1 October 2020.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Directors benefit from indemnity insurance purchased by the Trust to cover the liability of the Directors arising from negligent acts, errors or commissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of Directors

The management of the Trust is the responsibility of the Directors who are appointed under the terms of the Articles of Association.

The charitable company shall have the following Directors as set out in its Articles of Association and Funding Agreement:

- Members – Up to five persons and not less than three. Four will be elected from amongst members of the
- Local Governing Bodies of the schools within the Trust and one will be an independent person.
- Trustees – Up to eleven and not less than three trustees.

Directors are appointed for an initial four year period or shorter if determined by the Directors at the time of appointment. Subject to remaining eligible to be a particular type of Director, any Director can be re appointed or re elected for one further term of office only.

When appointing new Directors, the Trust will give consideration to the skills and experience mix of existing Directors in order to ensure the Trust has the necessary skills to contribute fully to the development of the Trust.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of the Trust and a chance to meet staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations, such as Strictly Education and Stone King LLP as appropriate.

All Directors are able to access advice and guidance from the National Governor Association and The Key for School Governors as well as direct advice from the Trust's legal advisors, Stone King LLP.

Organisational structure

The Board of Directors meets five times per year. The Directors establish an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees of the Trust and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Directors may, from time to time, establish working groups to perform specific tasks over a limited timescale.

There are three Committees of the Trust as follows:

- Audit and Risk Committee
- Governance Committee
- Strategy and Resources Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved for the full Director's meetings:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to propose the appointment or removal of the Chair; and
- to appoint and/or consider the performance management of the Chief Executive Officer

The Directors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust through the use of budgets and other data, and making the major decisions about the direction of the Trust, capital expenditure and the appointment of the Chief Executive Officer and other senior central team appointments.

The Directors have devolved the day to day management of the Trust to the Chief Executive Officer and the Senior Leadership Team ('SLT'). The SLT comprises the Chief Financial Officer/Business Director and the Heads of each school within the Trust. The SLT implement the policies laid down by the Directors and report back to them on performance.

Risk Management

The Directors have implemented a system to assess risks that the Trust faces, especially in the operational areas (such as in relation to quality of teaching, health & safety and finance). They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Arrangements for setting pay and remuneration of key management personnel

The Chief Executive Officer, Chief Financial Officer, Heads, Deputies and Assistant Heads of School must demonstrate sustained high quality performance, with particular regard to leadership, management and student progress at the schools within the Trust. They will be subject to an annual review at which performance against objectives will be reviewed before any performance points, where relevant, will be awarded. Annual pay progression within the range for these posts will not be automatic.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
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Total cost of facility time	2
Total pay bill	9,101
Percentage of total pay bill spent on facility time	0.02 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.37 %
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Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no sponsors associated with the Trust.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Objectives and activities

Objects and aims

The principal objects of the Trust, as set out in its Articles of Association, are to:

- Advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school or schools, offering a broad and balanced curriculum

The aims of the Trust during the period ended 31 August 2021 are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standards of education progress and attainment of all students;
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure of the schools under continual review;
- To enable students to recover from a loss of learning time as a consequence of the closure of schools during the pandemic
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with the local community, local businesses and the local primary schools;
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The key priorities for the period are contained in the Trust's Development Plan which is available from the Chief Executive Officer.

The main activities of the Trust for the period ended 31 August 2021 were as follows:

Leadership and Management

- Undertaking a review of learning;
- Secure use of data and tracking to measure progress and inform actions and interventions;

Student Achievement

- Maintaining high expectations of all students;
- Enabling full access to the curriculum whether studying in school or remotely;

Teaching and Learning

- Identifying strategies for supporting a recovery curriculum;
- Intervention teaching to support progress amongst students identified as being at risk of underachievement .

Behaviour and Safety

- Supporting a safe return to school for all students and staff;
- Providing ongoing pastoral support to the Trust community.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

Public benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in the areas within and surrounding the schools within the Trust, offering a broad curriculum.

The Trust schools also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

Strategic report

The Trust has continued to work on the priorities set out in its Strategic Plan approved by the Directors. Notable achievements this year were a return to full-time school-based teaching and the reintroduction of a wide range of enrichment activities for students across the Trust.

Environmental factors have continued to be further enhanced by significant work at both schools undertaken from condition improvement funding including a new Performing Arts area and enhanced sports facilities shared with the newly completed leisure centre adjoining BDB; upgrades to electrical infrastructure at TMCS.

The Trust faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The Trust uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Trust to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Key Performance Indicators

There have been a number of new additions to the staff team at both schools, attracted by a strong programme of support and professional development across the Trust, tailored to the needs of groups of staff. Lesson observations and visits provide the necessary evidence to illustrate the impact of this high quality training.

The Trust intends to further raise student attainment and progress through targeted intervention and support in response to a significant loss of learning time during the period of enforced school closure. Additional support teaching is in place and regular assessment of progress is used to inform future planning.

Attitudes to learning are consistently good and in many cases, outstanding.

Although the Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2021, the balance of the GAG Restricted Fund was £2,039,000, which is after a transfer of £223,000 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

As the majority of the Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. As noted above, pupil numbers at the most recent census were 1,855 which is an increase of 2.5% from the previous census.

As a result, the ratio of GAG funding per pupil was £5,500 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 81.9%, while the percentage of staff costs to total costs was 75.0%.

Going concern

After making appropriate enquiries, the Board of Directors, including all Committees, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Impact of Coronavirus

The Trust continued to operate remotely during the period of enforced school closure, providing work to students via online platforms including MS Teams. A number of strategies including 'live teaching' and 'in time' assessment and feedback to students was provided throughout the normal school day.

A number of volunteers and additional support staff contributed to the management and delivery of the Trust's testing programme for staff and students. Whilst there was some financial impact from the necessity of additional cleaning materials and an enhanced cleaning regime, this was off-set by additional funding and some savings elsewhere.

The largest impact in terms of loss of income was with respect to lettings. However, through the careful management of other streams of income there was no overall financial loss incurred.

Financial review

The majority of the Trust's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2021, the total expenditure of £12,460,000 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The excess of total expenditure over incoming resources for the period was £161,000.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Directors and include the financial risks to the Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Directors have ensured the Trust has adequate insurance cover.

The Trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Audit and Risk Committee meetings. At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity. The Directors recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Directors consider the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

The impact on finances from the enforced closure of schools (e.g. loss in Lets income) during the period of the pandemic has been mitigated for by reductions in overheads as a consequence of school closure. Enhanced cleaning and hygiene routines and resources have been paid for using additional funding streams wherever possible.

The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust's academies.

The balance of total funds held at 31 August 2021 were £27,550,000 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£2,052,000
Restricted Pension Liability Fund	£6,806,000
Restricted Fixed Asset Fund	£31,069,000
Unrestricted Funds	£1,235,000

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Trust's financial management, including financial responsibilities of the Directors, Heads of School, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors also take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' expenditure, approximately £958k (2020: £950k). The purpose of the reserves is to 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 unplanned maintenance.

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £3,287k, of which £1,235k is free reserves (that is, total funds less the amount held in fixed assets and restricted funds). The current level of reserves is in line with our target level of free cash reserves. Appropriate steps have been taken to increase the free cash reserves. The steps include ongoing review of expenditure levels including benchmarking of these against other similar schools, options to implement economies of scale on contracts across the Trust and use of integrated curriculum financial planning to ensure that most effective use is made of staff resources.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Trust with the objective of ensuring maximum return on assets invested but with minimal risk.

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 96.5% of the Trust's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing

The success of the Trust is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

The Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Risk Management

The Directors have implemented a system to assess risks that the Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Fundraising

The Trust does not employ any professional fundraisers to fundraise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public including vulnerable people, are protected from unreasonable or intrusive approaches. The Trust has not received any complaints about its fundraising activities.

Plans for future periods

The 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 be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are:

- To further develop the skills of the central services team to support the growth of the Trust's schools
- To continue to develop partnerships with feeder primary schools to strengthen transition and cross-phase working opportunities

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Directors 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.

Auditor

The auditor, James Cowper Kreston, has indicated his willingness to continue in office. The designated Directors will propose a motion reappointing the auditor at a meeting of the Directors.

The Directors' Report was approved by order of the Board of Directors, as the company directors, on
17 December 2021 and signed on its behalf by:

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

C Howorth

Chris Howorth 17 Dec 2021 22:33:39 GMT (UTC +0)

.....
C Howorth
Chair

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Unity Schools 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors 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 Unity Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
C Howorth, Chair	5	5
R Kent	5	5
P Green	5	5
J McMichael	4	5
D Wales	5	5
H Greenway	2	3
S Pillai	5	5
M Cuff	5	5

The Audit and Risk Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health and Safety of the Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions. The committee also monitors the risk management system and, following the implementation of a trust wide risk management system, will monitor the effectiveness of the same and the ownership and mitigation of risks at director and Trust level.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
C Howorth	3	3
S Pillai	3	3
R Kent	3	3
M Cuff	2	2
D Wales	2	2

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Governance Committee is a sub Committee of the Board of Directors. Its purpose is to provide guidance and assistance to the Directors on all matters related to the governance of the Trust at local governing body level. This includes meeting with the chairs of governors of the local governing bodies on a regular basis.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
C Howorth	3	3
R Kent	3	3
J McMichael	2	3
P Dick	2	3
I Henderson	2	3
L Ellis-Philip	1	2
L Cook	1	1

Governance Reviews

During the year the academy trust has carried out a review of its governance arrangements and procedures

The outcomes are presented below:

- Recommend changes to the Articles of Association removing the connection between Members and Local Governing Bodies so that membership of each tier of Governance is distinct from others
- Ensure that the Board of Trustees continues to benefit from the specialist financial knowledge of some Trustees
- Revise the terms of reference of committees and of Local Governing Bodies to ensure clarity in the function of each tier of governance

Review of value for money

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

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

1. Increasing the number of Trust wide contracts to achieve economies of scale in the provision of services across the Trust's schools. This has reduced the individual costs to each school for these services.
2. Centralising certain core functions, e.g. Finance, to reduce overall costs across the Trust, by removing duplications from the system and rationalising processes.

Moving forward the Trust will look to ensure that all contracts coming up for renewal are renegotiated/ tendered on the basis of a single, Trust-wide, basis to achieve an overall saving to each school.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Schools Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

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

The Board of Directors has decided to buy-in an internal audit service from Cooper Parry

Cooper Parry's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Risk Management
- Procurement, Month End and Journal Processes
- Budget Setting
- CIF Process

On a semi-annual basis, the Cooper Parry reports to the Board of Directors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Directors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Cooper Parry delivered their schedule of work as expected and identified the following areas for attention under improvement recommendations:

1. *Risk Register*- a change of format to include a heatmap system, risk scores unchanged by mitigations, wider Covid risks and risk review dates. The Board has updated the format of the register for this academic year.
2. *Month End process*- all balance sheets must have evidenced sign offs after review. This has now been actioned.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

3. *Journals*- some journals did not have evidenced sign offs due to remote working during the pandemic. This has not been rectified.
4. *CIF Process*- the Board should review and approve all CIF applications in advance. In addition, some change to nominal codes for CIF expenditure was recommended. Both of these points have now been actioned.
5. *Procurement Process*- there was a delay in payment beyond 30 days for some invoices, in part due to remote working during the pandemic. The system is being overhauled to prevent this from re-occurring going forward.

Review of effectiveness

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

- the work of the internal auditor's, Cooper Parry;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk 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 Directors on
their behalf by:

17 December 2021

and signed on



Chris Howorth 17 Dec 2021 22:33:39 GMT (UTC +0)

C Howorth
Chair

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Unity Schools Trust I have considered my responsibility to notify the Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Trust board of Directors are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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



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mhr:delrio Dec 2021 10:42:37 GMT (UTC +0)

M del Río
Accounting Officer
Date: 22 December 2021

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

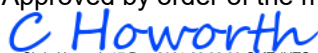
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 Directors and signed on its behalf by:


Chris Howorth 17 Dec 2021 22:33:39 GMT (UTC +0)

C Howorth
(Chair of Trustees)

Date: 17 December 2021

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Unity Schools Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Directors with respect to going concern are described in the relevant sections of this report.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of Trustees

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

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of our report

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 22 December 2021

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNITY
SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Schools Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Unity Schools Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 22 December 2021

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Note					
Income from:					
Donations and capital grants	3	15	-	395	410
Charitable activities	4	187	11,676	-	11,863
Other trading activities	5	26	-	-	26
Investments	6	-	-	-	-
		<u>228</u>	<u>11,676</u>	<u>395</u>	<u>12,299</u>
Total income					
Expenditure on:					
Raising funds		3	-	-	3
Charitable activities		123	11,340	994	12,457
		<u>126</u>	<u>11,340</u>	<u>994</u>	<u>12,460</u>
	7				
Total expenditure					
Net income/(expenditure)		<u>102</u>	<u>336</u>	<u>(599)</u>	<u>(161)</u>
Transfers between funds	19	-	(223)	223	-
Net movement in funds before other recognised gains/(losses)		<u>102</u>	<u>113</u>	<u>(376)</u>	<u>(161)</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	22	-	(510)	-	(510)
Net movement in funds		<u>102</u>	<u>(397)</u>	<u>(376)</u>	<u>(671)</u>
Reconciliation of funds:					
Total funds brought forward as previously stated		1,133	(4,357)	31,445	28,221
Prior year adjustment		-	-	-	(107)
Total funds brought forward as restated		<u>1,133</u>	<u>(4,357)</u>	<u>31,445</u>	<u>28,221</u>
Net movement in funds		102	(397)	(376)	(671)
Total funds carried forward		<u>1,235</u>	<u>(4,754)</u>	<u>31,069</u>	<u>28,221</u>

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Statement of Financial Activities includes all gains and losses recognised in the year.

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07692130

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	30,469	30,621
Investments	15	7	7
		30,476	30,628
Current assets			
Debtors	16	934	1,319
Cash at bank and in hand		3,885	2,940
		4,819	4,259
Creditors: amounts falling due within one year	17	(939)	(851)
		3,880	3,408
Net current assets			
		34,356	34,036
Net assets excluding pension liability			
Defined benefit pension scheme liability	22	(6,806)	(5,815)
		27,550	28,221
Total net assets			
		27,550	28,221
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	31,069	31,445
Restricted income funds	19	2,052	1,458
		33,121	32,903
Restricted funds excluding pension asset	19	33,121	32,903
Pension reserve	19	(6,806)	(5,815)
		26,315	27,088
Total restricted funds	19	26,315	27,088
Unrestricted income funds	19	1,235	1,133
		27,550	28,221
Total funds		27,550	28,221

The financial statements on pages 25 to 54 were approved by the Directors, and authorised for issue on 17 December 2021 and are signed on their behalf, by:

C Howorth

Chris Howorth 17 Dec 2021 22:33:39 GMT (UTC +0)

.....
C Howorth
 (Chair of Trustees)

The notes on pages 35 to 60 form part of these financial statements.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021	2020
		£000	£000
Cash flows from operating activities			
Net cash provided by operating activities	25	1,392	934
Cash flows from investing activities			
	26	(447)	(6)
Change in cash and cash equivalents in the year		945	928
Cash and cash equivalents at the beginning of the year		2,940	2,012
Cash and cash equivalents at the end of the year	27, 28	3,885	2,940

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Directors 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 Trust to continue as a going concern. The Directors 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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 Trust has provided the goods or services.

• **Donated goods, facilities and services**

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

• **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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

Investment Income

Investment Income is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

• **Expenditure on raising funds**

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

• **Charitable activities**

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

1.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Land and buildings	- Buildings 6-50 years; land 125 years
Computer equipment	- 3 years
Furniture and equipment	- 5 years

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.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 Liabilities

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

1.9 Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 Investments

Current asset investments are stated at market value.

1.11 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

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

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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.

The Trust is a member of a multi-employer plan. Where it is not possible for the Trust to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.14 Fund accounting

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

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.

Investment income, gains and losses are allocated to the appropriate fund.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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 judgement:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	15	-	15	23
Capital Grants	-	395	395	1,068
Total 2021	<u>15</u>	<u>395</u>	<u>410</u>	<u>1,091</u>
Total 2020	<u>23</u>	<u>1,068</u>	<u>1,091</u>	

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General annual grant (GAG)	-	10,210	10,210	9,645
Other DfE/ESFA grants				
Pupil Premium	-	335	335	334
Other DfE grants	-	578	578	576
	-	11,123	11,123	10,555
Other Government grants				
Local authority grants	-	292	292	310
	-	292	292	310
Other income from the Trust's academy's educational operations	187	-	187	534
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	181	181	-
	-	181	181	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	7	7	-
Other COVID-19 funding	-	73	73	-
	-	80	80	-
Total 2021	187	11,676	11,863	11,399
Total 2020	425	10,974	11,399	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £181k of funding for catch-up premium and costs incurred in respect of this funding totalled £173k, with the remaining £8k to be spent in 2021/22.

The academy furloughed its lettings manager under the government's CJRS. The funding received of £7k relates to staff costs in respect of one member of staff which are included within note 11 below as appropriate.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	26	26	87

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Interest	-	-	1
Total 2020	1	1	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading activities:					
Direct costs	-	3	-	3	44
Academy's educational operations:					
Direct costs	7,801	-	1,489	9,290	9,499
Allocated support costs	1,465	960	742	3,167	2,805
Total 2021	9,266	963	2,231	12,460	12,348
Total 2020	8,863	1,934	1,551	12,348	

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

8. Charitable activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	9,290	3,167	12,457	12,304
Total 2020	9,499	2,805	12,304	

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net FRS 102 pension scheme finance costs	50	43
Staff costs	1,384	1,237
Technology costs	192	151
Premises costs	957	965
Other support costs	561	392
Governance costs	23	17
Total 2021	3,167	2,805

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	994	992
Net interest on defined benefit pension liability	102	90
Fees paid to auditor for:		
- audit	10	8
- other services	2	9

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Central services

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

- executive leadership
- human resources and premises
- financial services
- audit and accountancy services
- legal services; and
- data protection services.

The Trust charges for these services on the following basis:

5% of GAG

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
The Magna Carta School	341	236
Bishop David Brown	205	149
Total	546	385

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	6,543	6,319
Social security costs	663	643
Pension costs	1,895	1,815
	9,101	8,777
Agency staff costs	84	54
Staff restructuring costs	57	-
Other costs	24	32
	9,266	8,863
Staff restructuring costs comprise:		
Redundancy payments	57	-

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

11. Staff (continued)

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £nil).

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	110	100
Administration and support	106	128
Management	21	12
	<u>237</u>	<u>240</u>

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	-	1
In the band £150,001 - £160,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £369k (2020: £634k).

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

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

13. Directors and officers insurance

The 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. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme membership.

14. Tangible fixed assets

	Land and Buildings £000	Assets under construction £000	Furniture, fixtures and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	36,703	-	164	325	37,192
Additions	36	581	128	97	842
At 31 August 2021	36,739	581	292	422	38,034
Depreciation					
At 1 September 2020	6,188	-	153	230	6,571
Charge for the year	929	-	7	58	994
At 31 August 2021	7,117	-	160	288	7,565
Net book value					
At 31 August 2021	29,622	581	132	134	30,469
At 31 August 2020	30,515	-	11	95	30,621

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Fixed asset investments

	Listed investments £000
Cost or valuation	
Additions	7
	7
At 31 August 2021	7
 Net book value	
At 31 August 2021	7

16. Debtors

	2021 £000	2020 £000
Trade debtors	-	5
VAT repayable	187	110
Prepayments and accrued income	747	1,204
	934	1,319

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	538	360
Other taxation and social security	173	161
Other creditors	172	172
Accruals and deferred income	56	158
	939	851
	939	851

18. Deferred income

	2021	2020
	£000	£000
Deferred income at 1 September 2020	17	-
Resources deferred during the year	8	17
Amounts released from previous periods	(17)	-
Deferred income at 31 August 2021	8	17
	8	17

Deferred income relates to monies received in advance for school trips.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	1,133	228	(126)	-	-	1,235
Restricted general funds						
General Annual Grant (GAG)	1,453	10,210	(9,401)	(223)	-	2,039
Pupil Premium	-	335	(335)	-	-	-
Other DfE / ESFA grants	-	578	(578)	-	-	-
Other government grants	5	292	(292)	-	-	5
Catch-up premium	-	181	(173)	-	-	8
Coronavirus Job Retention Scheme grant	-	7	(7)	-	-	-
Other COVID-19 funding	-	73	(73)	-	-	-
Pension reserve	(5,815)	-	(481)	-	(510)	(6,806)
	(4,357)	11,676	(11,340)	(223)	(510)	(4,754)

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Restricted fixed asset funds

DfE group capital grants	824	395	-	(619)	-	600
Capital from GAG and other funds	106	-	(65)	842	-	883
Assets transferred on conversion	30,515	-	(929)	-	-	29,586
	<u>31,445</u>	<u>395</u>	<u>(994)</u>	<u>223</u>	<u>-</u>	<u>31,069</u>
Total Restricted funds	<u>27,088</u>	<u>12,071</u>	<u>(12,334)</u>	<u>-</u>	<u>(510)</u>	<u>26,315</u>
Total funds	<u>28,221</u>	<u>12,299</u>	<u>(12,460)</u>	<u>-</u>	<u>(510)</u>	<u>27,550</u>

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

General Annual Grant

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department for Education. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA

Other DfE/ESFA grants represent money given to the Trust through grants. This year the grants included Pupil Premium funding and rates relief. The pupil premium fund has been set up to manage the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals.

Other government grants

This is grants given by the Local Authority and includes SEN funding for students at the school who either have statemented needs or are on the School Action Plus level of the SEN register.

Other restricted funds

Other restricted income includes income from various sources that are individually immaterial in value.

DfE group capital grants

This represents grants received from ESFA, including the devolved capital funding and capital improvement funding.

Capital from GAG and other funds

This represents amounts spent on fixed assets from the GAG funding received from the ESFA.

Assets transferred on conversion

This represent the land and buildings and equipment donated to the Multi-Academy Trust from Surrey County Council on conversion.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Transfers between funds

This represents the purchase of fixed assets from GAG funding.

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

	As restated Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	1,146	536	(523)	(26)	-	1,133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted general funds						
General Annual Grant (GAG)	677	9,645	(8,782)	(87)	-	1,453
Pupil Premium	-	910	(910)	-	-	-
Other government grants	-	310	(312)	7	-	5
Other DfE / ESFA grants	-	109	(109)	-	-	-
Pension reserve	(4,819)	-	(466)	-	(530)	(5,815)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(4,142)	10,974	(10,579)	(80)	(530)	(4,357)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Restricted fixed asset funds

DfE group capital grants	32	1,068	(254)	(22)	-	824
Capital from GAG and other funds	43	-	(65)	128	-	106
Assets transferred on conversion	31,442	-	(927)	-	-	30,515
	<u>31,517</u>	<u>1,068</u>	<u>(1,246)</u>	<u>106</u>	<u>-</u>	<u>31,445</u>
Total Restricted funds	<u>27,375</u>	<u>12,042</u>	<u>(11,825)</u>	<u>26</u>	<u>(530)</u>	<u>27,088</u>
Total funds	<u><u>28,521</u></u>	<u><u>12,578</u></u>	<u><u>(12,348)</u></u>	<u><u>-</u></u>	<u><u>(530)</u></u>	<u><u>28,221</u></u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
The Magna Carta School	1,560	1,018
Bishop David Brown	1,631	1,503
Unity Schools Trust	96	70
	<u>3,287</u>	<u>2,591</u>
Total before fixed asset funds and pension reserve	3,287	2,591
Restricted fixed asset fund	31,069	31,445
Pension reserve	(6,806)	(5,815)
	<u>27,550</u>	<u>28,221</u>
Total	<u>27,550</u>	<u>28,221</u>

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
The Magna Carta School	4,641	664	261	825	6,391
Bishop David Brown	2,723	391	179	718	4,011
Unity Schools Trust	437	410	55	162	1,064
Trust	7,801	1,465	495	1,705	11,466

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	30,469	30,469
Fixed asset investments	7	-	-	7
Current assets	1,228	2,991	600	4,819
Creditors due within one year	-	(939)	-	(939)
Provisions for liabilities and charges	-	(6,806)	-	(6,806)
Total	1,235	(4,754)	31,069	27,550

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	30,621	30,621
Fixed asset investments	7	-	-	7
Current assets	1,143	2,292	824	4,259
Creditors due within one year	(17)	(834)	-	(851)
Provisions for liabilities and charges	-	(5,815)	-	(5,815)
Total	<u>1,133</u>	<u>(4,357)</u>	<u>31,445</u>	<u>28,221</u>

21. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Capital commitments	-	458

The capital commitments last year related to the CIF project for the boilers at Bishop David Brown which is treated as revenue expenditure.

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £174,000 were payable to the schemes at 31 August 2021 (2020 - £170,000) and are included within creditors.

Teachers' Pension Scheme

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

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

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,119,000 (2020 - £1,078,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £496,000 (2020 - £454,000), of which employer's contributions totalled £388,000 (2020 - £353,000) and employees' contributions totalled £ 108,000 (2020 - £101,000). The agreed contribution rates for future years are 24.2 per cent for employers and 5.5-9.9 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.8	3.2
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	22.3	22.1
Females	24.7	24.3
Retiring in 20 years		
Males	23.4	22.9
Females	26.4	25.7

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.5%	1,440	1,209
Salary increase rate +0.5%	70	61
CPI rate +0.5%	1,355	1,130

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

Share of scheme assets

The Trust's share of the assets in the scheme was:

	2021	2020
	£000	£000
Equities	5,361	3,976
Bonds	1,144	939
Property	500	442
Cash and other liquid assets	143	166
Total market value of assets	7,148	5,523

The actual return on scheme assets was £1,285,000 (2020 - £10,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£000	£000
Current service cost	(767)	(729)
Interest cost	(102)	(90)
Total amount recognised in the Statement of Financial Activities	(869)	(819)

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

	2021	2020
	£000	£000
At 1 September	11,338	10,050
Current service cost	767	729
Interest cost	199	187
Employee contributions	108	101
Actuarial losses	1,698	443
Benefits paid	(156)	(172)
At 31 August	13,954	11,338

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

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

	2021	2020
	£000	£000
At 1 September	5,523	5,231
Interest income	97	97
Actuarial gains/(losses)	1,188	(87)
Employer contributions	388	353
Employee contributions	108	101
Benefits paid	(156)	(172)
At 31 August	7,148	5,523

23. Funds held as custodian

Last year the Magna Carta School held funds as agent on behalf of parents in relation to catering and free school meals as custodian of the catering fund. This fund was run for a non-profit basis with material surpluses being refunded to parents.

As the balance sheet date £nil (2020: £nil) of cash was held as custodian.

24. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than 1 year	-	1

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(161)	230
Adjustments for:		
Depreciation	994	992
Capital grants from DfE and other capital income	(395)	(1,068)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	379	376
Defined benefit pension scheme finance cost	102	90
Decrease in debtors	385	497
Increase/(decrease) in creditors	88	(175)
Donated investments	-	(7)
Net cash provided by operating activities	1,392	934

26. Cash flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(842)	(128)
Capital grants from DfE Group	395	121
Net cash used in investing activities	(447)	(6)

27. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	3,885	2,940
Total cash and cash equivalents	3,885	2,940

UNITY SCHOOLS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,940	945	3,885
	<u>2,940</u>	<u>945</u>	<u>3,885</u>
	<u><u>2,940</u></u>	<u><u>945</u></u>	<u><u>3,885</u></u>

29. Related party transactions

No related party transactions took place in the period of account, other than certain directors' remuneration and expenses already disclosed in note 12.

30. 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.