



Unity Education Trust

UNITY EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

UNITY EDUCATION TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24 - 25
Balance sheet	26 - 27
Statement of cash flows	28
Notes to the financial statements	29 - 63

UNITY EDUCATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr A Jones Professor J Barclay (resigned 21 January 2020) Mr M Salt (resigned 8 September 2020) Mr S Godson (resigned 21 January 2020) Mr R Barr Mr G Hacon Mrs H Smith Mr R Margand (appointed 21 January 2020) Mr R Stephenson (appointed 21 January 2020)
Trustees	Mr A Jones, Chair of Trustees Mr G Hambling, CEO and Accounting Officer Mr E Colman, Vice Chair of Trustees Mr G Redwood Mr M Rose, Chair of Standards Committee Mr C Taylor, Chair of Finance and Audit Committee Mrs M Eade (appointed 21 January 2020) Mr D Freeman (appointed 21 January 2020, resigned 23 September 2020) Mr R Phillips (appointed 21 January 2020, resigned 12 May 2020) Ms A Randall (appointed 21 January 2020) Mr M Winson-Pearce (appointed 21 January 2020)
Company registered number	10591822
Company name	Unity Education Trust
Principal and registered office	Dereham Sixth Form College Crown Road Dereham Norfolk NR20 4AG
Chief Executive Officer	Mr G Hambling
Senior Management Team	Mr G Hambling, CEO and Accounting Officer Mr A Mason, Director of Education, Executive Headteacher Mrs K Warren, Director of Specialist Provision Mr J Blocksidge, Head of School - Beeston Primary School Mrs S Charman, Executive Headteacher - Grove House and Kings Park Federation Mrs M Farnan, Headteacher - Garvestone Primary School Mrs Z Galley, Head of School - Northgate High School Dr D Hone, Head of School - Northgate High School Mrs R Thornberry, Principal of Specialist Provision

UNITY EDUCATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors MA Partners Audit LLP
Statutory Auditors
Chartered Accountants
7 The Close
Norwich
Norfolk
NR1 4DJ

Bankers Lloyds Bank plc
38 Market Place
Dereham
NR19 2AT

Solicitors NP Law
County Hall
Martineau Lane
Norwich
Norfolk
NR1 2DH

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Unity Education Trust ('the Trust' or 'UET') was established on 1 March 2017. On 1 January 2020 the academies of The Engage Trust, The Pinetree School and The Short Stay School for Norfolk, were transferred to the Trust.

Unity Education Trust operates four mainstream infant/primary schools, one mainstream secondary school, including a sixth form college in and around Dereham, mid-Norfolk.

The Trust has two specialist academies. The Short Stay School for Norfolk (SSSfN) has four main constituent schools which are spread across Norfolk:

- The Brooklands School, Gorleston
- The Douglas Bader School, Badersfield
- The Locksley School, Norwich
- The Rosebery School, King's Lynn

There are also four specialist provisions:

- The Earthsea School, Honingham
- The Compass, Belton
- The Compass, Pott Row
- The Compass, Lingwood

SSSfN also provides a range of other services on behalf of the Local Authority, these include:

- a contribution to the education of pupils unable to attend school on medical grounds or otherwise
- reintegration of excluded pupils to new schools
- advice on admissions to specialist provision

The Pinetree School is a single site school in Thetford providing education to vulnerable and challenging young people aged 11-16.

The Trust's academies have a combined pupil capacity of 1,882 and 1,724 pupils on roll in the October 2020 census.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Unity Education Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Unity Education Trust.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the academy purchases insurance to protect governors from claims arising from negligent acts, errors of omissions occurring whilst on academy business. The insurance via the Academies Risk Protection Arrangement (RPA) provided cover for up to £10m.

d. Method of recruitment and appointment or election of Trustees

The composition of the Board of Trustees, as set out in its Articles of Association, is up to eleven Trustees appointed by the Members. The Trustees may also appoint co-opted Trustees. The Trust has appointed local governing bodies (called School Oversight Committees) for each of its schools and the requirement in the articles of association for parental representation is met by the provision for there to be at least two parent governors on each School Oversight Committee.

The Trust seeks to appoint Trustees and Local Governors who are committed to promoting the aims and objectives of the Trust and its member schools, and who have appropriate knowledge, skills and experience.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees and Local Governors

New Trustees meet with the Chair, CEO and, perhaps, other Trustees for a briefing about the Trust, the work of the Board of Trustees and the level of engagement expected from individual Trustees. Similar procedures are in place for new Local Governors to meet with the Chair of the School Oversight Committee and the Headteacher/Head of School.

The Trust also has written role descriptions and person specifications for Trustees and Local Governors which include a commitment to training and skills development, which the Trust will facilitate.

The Trust has a Gold subscription to the National Governors' Association, with access for all Trustees and Local Governors. This provides up-to-date information on Governance, DfE regulations, etc. The Trust also has membership of School Bus, and information, including its "3 minute reads", is disseminated by the Chair, CEO and clerk to others.

f. Organisational structure

The Board of Trustees has established School Oversight Committees and two committees of the Board of Trustees – Finance and Audit, and Standards – and has adopted a Scheme of Delegation setting out arrangements for the conduct of business. The Scheme of Delegation, which is published on the Trust's website, describes the vision, ethos and underpinning principles of the Trust; the overall levels of governance and education delegation; and the decisions reserved for the Board of Trustees, and those delegated to committees, School Oversight Committees and individuals. The Scheme of Delegation includes a formal decision matrix defining these delegations.

The Board of Trustees appoints a Link Trustee for each of the School Oversight Committees.

The Trust's finance policy and procedures defines in greater detail the responsibilities of the Board of Trustees, the Finance and Audit Committee, the Chief Executive Officer, Headteachers/Heads of Schools, the Chief Finance Officer and other staff members. It also covers accounting arrangements, financial planning, payroll, purchasing and other financial procedures and policies.

The Board of Trustees met on 4 occasions between 1 September 2019 and 31 August 2020, in addition, 1 meeting was cancelled because of "lockdown" and a further 10 meetings, including a Strategic Planning Meeting, were held using Microsoft Teams. The Board of Trustees sets the strategic direction of the Trust and ensures high standards of achievement and improved performance. It is also responsible for ensuring sound financial practices and strong and robust governance. In 2019-20 business of the Finance and Audit and Standards Committees was, on occasion, dealt with as part of the Board of Trustees meetings, although 1 scheduled meeting of the Standards Committee was cancelled because of "lockdown" and 2 virtual meetings took place.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

The pay ranges for the Chief Executive Officer, Director of Education, Headteacher/Heads of Schools and other members of the senior leadership team within each school for the period under review were determined by the Board of Trustees in accordance with the provisions of the School Teachers' Pay and Conditions Document.

The annual appraisal of the performance of each Headteacher/Head of School was conducted by the CEO with one Governor from the school and one link Trustee. The annual appraisal of the CEO was undertaken by two Trustees. The Board of Trustees make decisions relating to the pay of the CEO, Headteachers/Heads of Schools and such other posts as the Board of Trustees may determine from time-to-time.

The CEO has delegated authority to make pay decisions within the Trust's pay policy for other posts, and the Board of Trustees, or a sub-group appointed by it, will quality assure the implementation of the policy.

h. Trade Union Facility Time

Unity Education Trust enables Trade Union facility time through subscription to the trade union facilities time pooled arrangement organised by Norfolk County Council. This is funded by the Trust and the cost for 2019/20 was £4,920.

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. A staff wellbeing and workload questionnaire has been carried out and staff inset training implemented based on areas of need. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

- Equal opportunities policy
- Health & safety policy

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

j. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the employment or charitable activities of the Members and Trustees, it is possible that transactions may take place with organisations with which a Member or Trustee has an interest. The Trust maintains a register of Members' and Trustees' interests and publishes relevant parts on the Trust's website. In addition, Members and Trustees are required to declare an interest in matters under discussion at Board of Trustees and committee meetings and general meetings. If there is any doubt about Members' or Trustees' ability to act impartially they are required to withdraw from the meeting and not vote. Any transactions involving organisations with which a Member or Trustee has an interest are conducted in accordance with the academy's financial regulations and procedures.

The Trust has links with a number of other organisations, including other local schools in initiatives operated by the Dereham and Litcham Clusters, Educator Solutions and Norfolk County Council. It works with Childhood First in the delivery of provision at Earthsea House and the Norfolk and Suffolk NHS Foundation Trust in the delivery of provision at the Compass Schools.

Objectives and activities

a. Objects and aims

The principal object of the Trust is to advance, for the public benefit, the quality of education in Norfolk by establishing, maintaining and developing schools to offer a broad and balanced curriculum in accordance with the provisions of its Articles of Association and its Master Funding Agreement with the Secretary of State for Education.

The Trust aims to develop like-minded schools to be outstanding through collaborative working and unity of purpose in all that we do.

The Trust sets high expectations in every aspect of our work. We aim to provide pupils with the best opportunities through outstanding teaching, the development of 21st century facilities, inspirational leadership, and a growth mind-set approach.

We believe that all children and young people:

- have the right to be healthy, happy and safe, to be loved and respected, and to have high aspirations for their future;
- should be appropriately supported to make educational progress in line with their peers and their own trajectory of success; and
- that success progress not only benefits our young people themselves but also their school families and ultimately our society and economy.

The Trust aims to ensure that its academies maintain their unique identities at the heart of their communities, as well as engaging with partners and stakeholders and other high performing educational organisations.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

The Trust:

- holds an unrelenting belief and focus that all students can achieve high standards, whatever their background and life experiences, when given a positive climate of support, challenge and the development of growth mind-set through outstanding teaching;
- is committed to the notion of 'raising aspirations to fulfil potential' ensuring our learners are encouraged to build confidence, expand their leadership qualities and embrace British values which enable all to thrive in an ever-changing society;
- values all members of the Trust for their individuality and nurtures them to achieve high levels of success through creative approaches which develop a passion for learning, the ability to be adaptable and a supportive approach all within our community.

b. Objectives, strategies and activities

Unity Education Trust believes in setting high aspirations for all its learners and that all children, regardless of their background, ability or life experiences, can achieve high standards and flourish in an outstanding education setting that cares for all.

- UET academies ensure a growth mind-set for all that does not place limitations on any of its learners and, as a result, learners' aspirations are high and strongly self-motivated.
- UET academies operate on the principle 'Unity of Purpose' in all that they do, supporting each other.
- UET is a multi-academy trust which recognises that successful academies are built upon the key foundations of:
 - excellent leadership and high expectations, standards and professional effectiveness;
 - an unrelenting focus on raising aspirations and the focus on progress and improvement for all;
 - high standards of behaviour, positive environments and work ethic - "The Unity Way";
 - innovative teaching and learning that is led by active teacher practitioners and researchers and that engages all learners;
 - precise and focussed improvement planning that is designed to develop all our academies incorporating cutting-edge developments and succession planning;
 - promoting a positive work life balance for all.
- UET core education, business, operational and governor services have been designed to effectively challenge and support leadership and management within our academies.
- UET believes in maintaining local community schools and providing children and their families in those communities with access to those schools.
- UET is not a selective trust and we follow the Local Authority admissions criteria.
- UET is committed to maintaining and developing a high-quality model of alternative/specialist provision for additional needs learners in the Eastern region.
- UET sets clear lines of support for our School Oversight Committees in terms of accountability, transparency and compliancy.
- UET is an employer of excellence, providing high level continued professional development combined with detailed career development opportunities where all feel valued.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

a. Achievements and Performance

The mission of the Trust is 'raising inspirations to fulfil potential'. In support of this mission we have ensured that pupils have achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and worked together as a group of schools to enhance outcomes both in terms of academic performance and economies of scale.

Under the Covid-19 restrictions the Trust has operated in line with all legal and safeguarding expectations to ensure that learners receive continued support.

The Trust provided on-site provision for disadvantaged learners and the children of key workers as well as for primary and secondary age groups when permitted by government guidelines. Other students were offered on-line or other forms of provision to continue their learning and assessments were carried out in line with the DfE criteria for examinations 2020.

b. Key Performance Indicators

During the year no public examinations were sat due to the Covid-19 pandemic.

c. Going concern

After making appropriate enquiries, the Board of Trustees 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 Statement of Accounting Policies.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Reserves policy

The Trustees have a reserves and investment policy which was reviewed in July 2020. The levels of reserves and any additional financial controls for the year ahead are set on an annual basis as part of the budget setting process. The Trust's objective is to move towards holding reserves available for general educational use equivalent to 7.5% of GAG. This objective is to enable the Trust to deal with risks or unforeseen emergencies or other unexpected needs for funds, unforeseen additional day to day operational costs, a fall in a source of income, temporary cash flow deficits and planned commitments, including funds designated for major capital projects or other purposes. At present the only earmarked funds are those that are being built up to enable the planned replacement of the multi-use games carpet at Northgate High School.

The Trust recognises that it needs to strike a balance between building its reserves and spending on current educational needs. In the current tight financial climate this may mean sacrificing the former to protect the latter. The Board of Trustees assesses the position when considering the following year's budget and sets the reserve target for that year.

As at 31 August 2020 the Trust had free reserves of £1,280,345. Free reserves includes unrestricted funds and GAG funds carried forward for expenditure on educational operations.

b. Investment policy

In September 2020 the Trustees reviewed and adopted a reserves and investment policy. Unity Education Trust will invest its reserves and any surplus cash funds to optimise returns whilst always ensuring that security takes precedence over revenue maximisation.

This will mean that any monies will be deposited in instant access or short-term notice accounts up to amounts covered by the Financial Services Compensation Scheme.

The Finance and Audit Committee will approve the opening of accounts in accordance with the above principles and agree the arrangements for depositing and withdrawing funds.

The Finance and Audit Committee review the performance of investments on a regular basis.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

The Trustees have a risk register which identifies the risks to which the Trust is exposed together with actions and procedures to mitigate those risks. The register appears as an item on all Board of Trustees and committee agendas; comments are added during the year; and the register is formally reviewed and updated on an annual basis.

The CEO has lead responsibility for risk management processes and for bringing Trustees' attention to any changes to risk profiles. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks

The Board of Trustees have assessed the principal risks as falling into the following main categories all of which are assessed against existing controls and mitigating actions:

- Strategic
- Financial
- Management
- Resources

Fundraising

The funds for the Trust's educational operations come primarily from DfE and other government grants, Local Authority funding and charitable funding for the Earthsea School. Parental contributions are received towards the cost of educational visits and similar activities and some funds are generated from the letting of school premises and services provided to other schools. The Trust does not engage in fundraising for its core activities but individual schools do arrange events which help to raise money for external charities and other good causes. Some schools also have Friends or Parent Teacher Associations which organise events which may enable them to denote small sums to their schools for defined purposes. All contributions are voluntary.

The Trust does not use any external fundraisers.

Plans for future periods

Unity Education Trust is a MAT working with primary and secondary schools 3- 19 in both mainstream and specialist education settings.

It is committed to working with like-minded organisations and throughout the year has worked closely with other external partners and Trusts and to share experiences and expertise to continue our school improvement drives at every level of provision.

We plan to continue to build on existing partnerships, which have been underpinned by trust and mutual respect, a shared ethos and a history of being rooted in the community of all our academies.

Unity Education Trust is committed to developing mutually beneficial partnerships with schools, businesses and other multi academy trusts to ensure the very best provision and support for our staff, learners and their families.

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others

No funds are held as custodian trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



.....
Mr A Jones
Chair of Trustees

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees delegated the day-to-day responsibility to the CEO, 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 Education Trust and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on Governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. In the year to 31 August 2020 the Board of Trustees met 14 times. Due to Covid-19 restrictions some of these meetings were held virtually.

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

Trustee	Meetings attended	Out of a possible
Mr A Jones, Chair of Trustees	14	14
Mr G Hambling, CEO and Accounting Officer	14	14
Mr E Colman, Vice Chair of Trustees	10	14
Mr G Redwood	11	14
Mr M Rose, Chair of Standards Committee	13	14
Mr C Taylor, Chair of Finance and Audit Committee	12	14
Mrs M Eade	1	11
Mr D Freeman	6	11
Mr R Phillips	0	8
Ms A Randall	10	11
Mr M Winson-Pearce	3	11

The Finance and Audit Committee is a subcommittee of the main Board of Trustees. It has general oversight of all matters relating to budgeting and finance, including consideration of the annual budget for the following year, compliance with financial regulations and ensuring the timely preparation of the annual accounts. It advises the Board of Trustees on these matters, as well as relevant statutory or ESFA regulatory requirements. As the Board of Trustees' Audit Committee it receives external auditors' reports and recommends to the Board of Trustees action in response to audit findings. The Committee also ensures the provision of effective internal audits within the Trust and each of its schools.

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Some of the Finance and Audit business was conducted within Board of Trustees meetings for the academic year 2019/20 but, in addition, the Committee had three meetings.

The following were members of the Finance and Audit Committee:

C Taylor (Chair)
G Hambling
E Colman
A Jones
A Randall
M Winson-Pearce

In June 2020 the Trustees held a strategy day to review key areas of the operation of the Trust and its schools. The day included a presentation from the Director of Specialist Provision; a review of the Trust's committee structures, terms of reference and meeting arrangements; plans to monitor and support local governance; Trustee roles and responsibilities for 2020/2021 and an update of UET's Strategic Plan.

Review of value for money

As Accounting Officer, the CEO 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 reported to the Board of Trustees where value for money could 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 ended 31 August 2020:

- undertaking staffing reviews at all Unity Education Trust schools to ensure that staffing levels are appropriate;
- negotiated pricing on all contracts and services to ensure that the best price possible is agreed;
- ensuring major purchases and contracts are always tendered, reviewed and discussed by the Finance Committee before any commitments are made.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 was in place in Unity Education Trust for the year ended 31 August 2020 and up to the date of this report.

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees reviewed the key risks to which the Trust was exposed together with the operating, financial and compliance controls that were implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, which was in place for the period 1 September 2019 to 31 August 2020. This process is regularly reviewed by the Board of Trustees.

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 were reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit Committee of reports which indicated financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for specific internal audit function and has decided to appoint Educator Solutions as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems, both centrally and within the member schools.

The results on these checks are reported to the Finance and Audit Committee.

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2020 the review has been informed by:

- the work of the external and internal auditors;
- completion of the school resource management checklist in November 2019 and a review of updates to the Academies Financial Handbook;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:



.....
Mr A Jones
Chair of Trustees



.....
Mr G Hambling
Chief Executive Officer, Accounting Officer

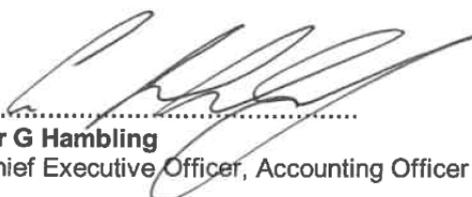
UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Unity Education Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2019.

I confirm that I and the Board of Trustees 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 2019.

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



.....
Mr G Hambling
Chief Executive Officer, Accounting Officer

Date: 15 December 2020

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Mr A Jones
Chair of Trustees

Date: 15 December 2020

UNITY EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY
EDUCATION TRUST**

Opinion

We have audited the financial statements of Unity Education Trust (the 'Trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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 Auditors' 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

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY EDUCATION TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY
EDUCATION TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of
MA Partners Audit LLP
Statutory Auditors
Chartered Accountants
7 The Close

Norwich
Norfolk
NR1 4DJ

17 December 2020

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 11 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Education Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Unity Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Unity Education 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 Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Unity Education Trust's funding agreement with the Secretary of State for Education dated 27 February 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Part 8: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2019.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

MA Partners Audit LLP
Statutory Auditors
Chartered Accountants
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 17 December 2020

UNITY EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:						
Transfer from other Trust	3	(647,394)	(4,280,000)	6,931,508	2,004,114	-
Other donations and capital grants		5,000	4,489	109,913	119,402	383,829
Charitable activities	4	30,684	15,858,929	-	15,889,613	7,593,761
Other trading activities	5	142,769	-	-	142,769	228,566
Investments	6	2,588	-	-	2,588	700
Total income		(466,353)	11,583,418	7,041,421	18,158,486	8,206,856
Expenditure on:						
Charitable activities	7	-	15,226,861	448,650	15,675,511	8,715,124
Total expenditure		-	15,226,861	448,650	15,675,511	8,715,124
Net (expenditure)/income		(466,353)	(3,643,443)	6,592,771	2,482,975	(508,268)
Transfers between funds	18	(10,297)	66,114	(55,817)	-	-
Net movement in funds before other recognised gains/(losses)		(476,650)	(3,577,329)	6,536,954	2,482,975	(508,268)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,261,000)	-	(2,261,000)	(856,000)
Net movement in funds		(476,650)	(5,838,329)	6,536,954	221,975	(1,364,268)

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward	441,052	(1,719,250)	15,854,963	14,576,765	15,941,033
Net movement in funds	(476,650)	(5,838,329)	6,536,954	221,975	(1,364,268)
Total funds carried forward	(35,598)	(7,557,579)	22,391,917	14,798,740	14,576,765

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

The notes on pages 29 to 63 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10591822

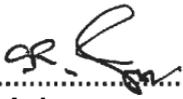
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	22,261,872	15,747,176
		<u>22,261,872</u>	<u>15,747,176</u>
Current assets			
Debtors	15	580,921	264,798
Cash at bank and in hand		2,685,308	1,007,891
		<u>3,266,229</u>	<u>1,272,689</u>
Creditors: amounts falling due within one year	16	(825,773)	(358,705)
Net current assets		<u>2,440,456</u>	913,984
Total assets less current liabilities		<u>24,702,328</u>	<u>16,661,160</u>
Creditors: amounts falling due after more than one year	17	(465,588)	(10,395)
Net assets excluding pension liability		<u>24,236,740</u>	16,650,765
Defined benefit pension scheme liability	26	(9,438,000)	(2,074,000)
Total net assets		<u><u>14,798,740</u></u>	<u><u>14,576,765</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	22,391,917	15,854,963
Restricted income funds	18	1,880,421	354,750
		<u>24,272,338</u>	<u>16,209,713</u>
Restricted funds excluding pension asset	18	24,272,338	16,209,713
Pension reserve	18	(9,438,000)	(2,074,000)
Total restricted funds	18	<u>14,834,338</u>	14,135,713
Unrestricted income funds	18	(35,598)	441,052
Total funds		<u><u>14,798,740</u></u>	<u><u>14,576,765</u></u>

UNITY EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10591822

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 24 to 63 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



.....
Mr A Jones
Chair

The notes on pages 29 to 63 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	<i>2019</i> £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	1,478,275	<i>(248,619)</i>
Cash flows from investing activities	22	286,485	<i>205,840</i>
Cash flows from financing activities	21	(87,343)	<i>-</i>
Change in cash and cash equivalents in the year		1,677,417	<i>(42,779)</i>
Cash and cash equivalents at the beginning of the year		1,007,891	<i>1,050,670</i>
Cash and cash equivalents at the end of the year	23, 24	2,685,308	<i>1,007,891</i>

The notes on pages 29 to 63 from part of these financial statements

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Unity Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

· **Transfer of existing academies into the Trust**

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

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.

· **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.

All resources expended are inclusive of irrecoverable VAT.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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.

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- over the term of the lease
Leasehold buildings	- 2% straight line
Short-term leasehold improvements	- over the term of the lease
Furniture and fixtures	- 25% straight line
Computer equipment	- 10%-33% straight line
Motor vehicles	- 10% straight line

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 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 Trustees.

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

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Transfer from other Trust	(647,394)	(4,280,000)	6,931,508	2,004,114	-
Donations	5,000	4,489	-	9,489	7,764
Capital Grants	-	-	109,913	109,913	376,065
Subtotal	<u>5,000</u>	<u>4,489</u>	<u>109,913</u>	<u>119,402</u>	<u>383,829</u>
Total 2020	<u>(642,394)</u>	<u>(4,275,511)</u>	<u>7,041,421</u>	<u>2,123,516</u>	<u>383,829</u>
<i>Total 2019</i>	<u>3,222</u>	<u>4,542</u>	<u>376,065</u>	<u>383,829</u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,011,174	9,011,174	6,660,778
Pupil Premium	-	524,464	524,464	316,148
Teachers' pension grant	-	266,027	266,027	-
School Meal funding	-	98,656	98,656	63,091
Teachers' pay grant	-	94,452	94,452	63,331
PE grant	-	73,449	73,449	66,270
Rates Relief	-	62,312	62,312	42,279
Post 16 Bursary	-	28,792	28,792	27,417
Other ESFA grants	-	96,503	96,503	1,600
	-	10,255,829	10,255,829	7,240,914
Other government grants				
LA Commissioned places	-	5,001,632	5,001,632	-
NCC - Teachers' pension grant	-	129,134	129,134	-
SEN funding	-	107,632	107,632	89,129
LAC - Pupil Premium	-	55,149	55,149	20,997
NCC - Teachers' pay grant	-	28,435	28,435	-
NCC - Nursery income	-	23,502	23,502	42,772
Other LA grants	-	14,983	14,983	22,185
	-	5,360,467	5,360,467	175,083
Other funding				
External place funding	-	168,000	168,000	-
Other grants	-	21,872	21,872	-
Educational visits	-	52,761	52,761	131,832
Other income from educational operations	30,684	-	30,684	45,932
Total 2020	30,684	15,858,929	15,889,613	7,593,761
<i>Total 2019</i>	<i>45,812</i>	<i>7,547,949</i>	<i>7,593,761</i>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Insurance claims	54,752	54,752	7,129
Income from services provided	39,172	39,172	138,710
Lettings income	29,886	29,886	48,321
Other income	17,262	17,262	32,709
Rent income	1,697	1,697	1,697
Total 2020	<u>142,769</u>	<u>142,769</u>	<u>228,566</u>
<i>Total 2019</i>	<u>228,566</u>	<u>228,566</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income - local cash	2,588	2,588	700
<i>Total 2019</i>	<u>700</u>	<u>700</u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational operations:					
Direct costs	10,312,168	-	1,086,556	11,398,724	5,781,441
Support costs	1,988,763	1,193,139	1,094,885	4,276,787	2,933,683
Total 2020	<u>12,300,931</u>	<u>1,193,139</u>	<u>2,181,441</u>	<u>15,675,511</u>	<u>8,715,124</u>
<i>Total 2019</i>	<u>6,065,533</u>	<u>1,448,618</u>	<u>1,200,973</u>	<u>8,715,124</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational operations	<u>11,398,724</u>	<u>4,276,787</u>	<u>15,675,511</u>	<u>8,715,124</u>
<i>Total 2019</i>	<u>5,781,441</u>	<u>2,933,683</u>	<u>8,715,124</u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	9,945,054	5,171,892
Educational professional fees	460,758	61,114
Agency supply staff	367,114	30,520
Alternative provision	212,790	47,455
Examination fees	133,814	133,220
Educational supplies	72,416	74,412
Other direct costs	70,807	70,160
Educational visits	68,703	133,093
Bursary payments	31,280	23,733
Staff development	27,049	23,392
Student transport	8,939	12,450
Total 2020	11,398,724	<i>5,781,441</i>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	1,988,763	863,121
Depreciation	448,650	332,103
Maintenance of premises and equipment	337,096	895,211
Governance costs	258,741	145,003
Technology costs	182,767	76,283
Other support costs	171,713	114,044
Catering	166,706	130,232
Energy costs	161,077	120,880
Rent and rates	155,068	50,980
Cleaning	143,017	117,720
Pension interest	111,000	31,000
Travel and subsistence	48,017	4,044
Insurance	35,875	37,117
Security and transport	30,163	10,040
Legal fees	25,654	-
Recruitment and support	11,087	4,122
Bank interest and charges	1,393	1,783
Total 2020	<u>4,276,787</u>	<u>2,933,683</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	85,736	30,439
Depreciation of tangible fixed assets	448,650	332,103
Fees paid to auditors for:		
- audit	19,500	11,118
- other services	8,093	5,425
	<u>8,093</u>	<u>5,425</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,548,880	4,638,690
Social security costs	793,931	438,984
Pension costs	2,582,453	957,339
	<u>11,925,264</u>	<u>6,035,013</u>
Agency staff costs	367,114	30,520
Staff restructuring costs	8,553	-
	<u>12,300,931</u>	<u>6,065,533</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	7,823	-
Severance payments	730	-
	<u>8,553</u>	<u>-</u>

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling **£730** (2019: £nil).

c. Staff numbers

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

	2020 No.	2019 No.
Management	22	10
Teachers	130	84
Administration and support	210	95
	<u>362</u>	<u>189</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Management	22	10
Teachers	114	73
Administration and support	128	53
	264	136

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	3	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £784,235 (2019 £586,271).

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

- Provision of management information system
- Provision of accounting system
- ICT technical support
- Procurement support
- School improvement advice and support
- Audit: external and internal
- Building Maintenance

The Trust charges for these services on the following basis:

Mainstream schools: A flat percentage of GAG income basis (5.0%) plus a premises fund of a flat percentage of GAG income basis (3.0%) for primaries and £55,000 for secondaries plus a finance cost of £5,000 for primaries and £28,000 for secondaries plus an ICT cost for secondaries of £25,000 (from January 2020).

Special schools: Charge based on £1,100 per pupil referred.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	£
Northgate High School	349,449	<i>343,044</i>
Beeston Primary	27,780	<i>28,913</i>
Garvestone Primary	31,806	<i>31,995</i>
Grove House Infant School	37,627	<i>38,328</i>
Kings Park Infant School	35,788	<i>37,555</i>
Short Stay School for Norfolk	598,767	<i>-</i>
The Pinetree School	29,333	<i>-</i>
Total	<u>1,110,550</u>	<i><u>479,835</u></i>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Trustees' remuneration and expenses

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

		2020	<i>2019</i>
		£	£
Mr G Hambling, Chief Executive Officer	Remuneration	100,000 -	<i>90,000 -</i>
		105,000	<i>95,000</i>
	Pension contributions paid	20,000 -	<i>15,000 -</i>
		25,000	<i>20,000</i>

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £NIL*).

13. Trustees' 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 Trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	16,371,509	-	41,757	137,936	22,015	16,573,217
Additions	-	-	28,331	3,507	-	31,838
Transfer from other Trust	6,890,507	19,020	8,719	13,262	-	6,931,508
At 31 August 2020	<u>23,262,016</u>	<u>19,020</u>	<u>78,807</u>	<u>154,705</u>	<u>22,015</u>	<u>23,536,563</u>
Depreciation						
At 1 September 2019	714,299	-	26,409	76,274	9,059	826,041
Charge for the year	389,273	7,608	11,280	37,425	3,064	448,650
At 31 August 2020	<u>1,103,572</u>	<u>7,608</u>	<u>37,689</u>	<u>113,699</u>	<u>12,123</u>	<u>1,274,691</u>
Net book value						
At 31 August 2020	<u>22,158,444</u>	<u>11,412</u>	<u>41,118</u>	<u>41,006</u>	<u>9,892</u>	<u>22,261,872</u>
At 31 August 2019	<u>15,657,210</u>	<u>-</u>	<u>15,348</u>	<u>61,662</u>	<u>12,956</u>	<u>15,747,176</u>

As part of the transfer of The Short Stay School for Norfolk and The Pinetree School into the Trust, the Trust took on the remaining term for the following long-term leases:

Brooklands School - 125 year lease with Norfolk County Council
 Douglas Bader School - 125 year lease with Norfolk County Council
 Rosebery School - 125 year lease with Norfolk County Council
 Locksley School - 125 year lease with Norfolk County Council
 Pinetree School - 125 year lease with Norfolk County Council
 Earthsea School - 125 year lease with Norwich Diocesan Board of Finance Ltd

These properties have been recognised at a value of £6,890,507.

UNITY EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	90,450	2,463
Other debtors	36,102	83,736
Prepayments and accrued income	454,369	178,599
	580,921	264,798
	580,921	264,798

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	55,187	1,485
Trade creditors	164,597	108,672
Other taxation and social security	224,955	96,114
Other creditors	254,687	91,019
Accruals and deferred income	126,347	61,415
	825,773	358,705
	825,773	358,705
	2020 £	2019 £
Deferred income at 1 September 2019	52,554	77,012
Resources deferred during the year	32,415	52,554
Amounts released from previous periods	(52,554)	(77,012)
	32,415	52,554
	32,415	52,554

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- Universal Infant Free School Meals funding (£32,415).

Included within creditors due within one year is a GAG advance from the ESFA of £41,669 which is provided on the following terms: Repayable interest-free over two years via deduction from GAG.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	<i>2019</i>
	£	£
Other loans	465,588	<i>10,395</i>

Included creditors is a loan of £11,880 (of which £10,395 is shown as payable after more than one year) from the ESFA. This is a 0% 'Salix' loan. Loan funding has been calculated up to a maximum if an 8 year payback. Repayments are to be made every six months from GAG until the loan amount is repaid, as yet no repayments have been made.

Also included in creditors is a loan of £6,866 (of which £3,433 is shown as payable after more than one year) from the ESFA. This is also a 0% 'Salix' loan. Repayments are to be made over five years via deduction from GAG.

Also included within creditors is a finance lease for the property at Earthsea School which is recognised over the 125 year lease term. A balance of £8,600 is recognised as due within one year and a balance of £451,760 is recognised as due after more than one year.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	441,052	(466,353)	-	(10,297)	-	(35,598)
Restricted general funds						
General Annual Grant (GAG)	144,072	9,011,174	(6,118,213)	(1,721,090)	-	1,315,943
Central Services	50,988	-	(922,281)	1,110,550	-	239,257
Pupil Premium	68,978	579,613	(468,229)	-	-	180,362
Post 16 Bursary	-	28,792	(31,160)	-	-	(2,368)
School Meals	-	98,656	(94,759)	-	-	3,897
Devolved Formula Capital	-	-	(8,303)	8,303	-	-
Condition Improvement Fund	-	-	(79,351)	79,351	-	-
PE Grant	71,350	73,449	(51,341)	-	-	93,458
SEN Funding	-	107,632	(107,278)	-	-	354
Nursery Income	335	23,502	(23,837)	-	-	-
School Trips	17,029	52,761	(62,549)	-	-	7,241
Other restricted funds	1,998	41,344	(5,396)	-	-	37,946
Other ESFA grants	-	96,503	(96,503)	-	-	-
Rates relief	-	62,312	(57,981)	-	-	4,331
Teachers' pay grant	-	122,887	(122,887)	-	-	-
Teachers' pension grant	-	395,161	(395,161)	-	-	-
LA Commissioned places	-	5,001,632	(5,001,632)	-	-	-
External place funding	-	168,000	(168,000)	-	-	-
Pension reserve	(2,074,000)	(4,280,000)	(1,412,000)	589,000	(2,261,000)	(9,438,000)
	(1,719,250)	11,583,418	(15,226,861)	66,114	(2,261,000)	(7,557,579)

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Assets Transferred on Conversion	6,673,917	-	(303,052)	-	-	6,370,865
Assets Transferred in from Other Trusts	8,850,819	6,931,508	(117,138)	-	-	15,665,189
Assets Purchased from GAG	53,194	-	(10,011)	21,540	-	64,723
Assets Purchased from Start Up Grant Condition Improvement Fund	3,546	-	(3,546)	-	-	-
Devolved Formula Capital	180,143	45,381	(3,157)	(66,475)	-	155,892
Assets Purchased from Donations	86,384	64,532	(7,622)	(21,179)	-	122,115
Assets Purchased from PE Grant	2,500	-	(1,250)	-	-	1,250
Assets Purchased from unrestricted funds	4,460	-	(2,230)	-	-	2,230
	-	-	(644)	10,297	-	9,653
	<u>15,854,963</u>	<u>7,041,421</u>	<u>(448,650)</u>	<u>(55,817)</u>	<u>-</u>	<u>22,391,917</u>
Total Restricted funds	<u>14,135,713</u>	<u>18,624,839</u>	<u>(15,675,511)</u>	<u>10,297</u>	<u>(2,261,000)</u>	<u>14,834,338</u>
Total funds	<u><u>14,576,765</u></u>	<u><u>18,158,486</u></u>	<u><u>(15,675,511)</u></u>	<u><u>-</u></u>	<u><u>(2,261,000)</u></u>	<u><u>14,798,740</u></u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

The **General Annual Grant (GAG)** is for the normal running costs of the Academy. The following transfers have been made from the GAG: £589,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme; £21,540 to the restricted fixed asset funds representing fixed assets purchased from GAG monies; and £1,110,550 to the Central Services fund representing Academy contributions to the central service charge.

The **Pupil Premium** income was provided by the ESFA to help raise the attainment of disadvantaged pupils.

The **Devolved Formula Capital** fund related to funding for the cost of minor capital works and ICT replacement.

Post 16 Bursary funding was provided to fund additional resources required in the delivery of education to 16-19 year old pupils.

A **Start Up Grant** was received from the ESFA to contribute towards expenses incurred in the process of converting to academy status.

SEN Funding was received to provide additional educational support to those pupils with special educational needs. This income was received from the Cluster and is in addition to the allocation included within GAG funding.

Nursery Funding is utilised to employ appropriate staff for the Nursery on site at Grove House Infant & Nursery.

The Pension reserve deficit at the 31 August 2020 was £9,438,000 and represents the Trust's share of the deficit of the Local Government Pension Scheme at that date.

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Northgate High School	490,957	428,875
Beeston Primary	39,508	42,187
Garvestone Primary	13,034	7,780
Grove House Infant School	122,832	68,839
Kings Park Infant School	181,245	133,568
Short Stay School for Norfolk	825,356	-
The Pinetree School	(96,127)	-
Central Trust	268,018	114,553
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,844,823	795,802
Restricted fixed asset fund	22,391,917	15,854,963
Pension reserve	(9,438,000)	(2,074,000)
	<hr/>	<hr/>
Total	14,798,740	14,576,765
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
The Pinetree School	96,127
	<hr/> <hr/>

The Pinetree School transferred to Unity Education Trust with an historic deficit due to over staffing.

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

Staffing has now been fully reviewed and the deficit is being cleared. It is expected for the academy to return to surplus during 2022/23.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Northgate High School	4,088,914	473,873	29,308	860,491	5,452,586	5,824,438
Beeston Primary	271,614	21,671	2,184	48,559	344,028	356,524
Garvestone Primary	282,611	44,874	4,663	49,179	381,327	404,350
Grove House Infant School	309,133	67,113	5,188	62,296	443,730	559,701
Kings Park Infant School	293,678	48,316	4,399	68,843	415,236	455,929
Short Stay School for Norfolk	4,415,643	406,671	25,250	1,004,517	5,852,081	-
The Pinetree School	329,025	43,434	1,025	43,148	416,632	-
Central Trust	321,550	882,811	399	716,481	1,921,241	782,079
Trust	10,312,168	1,988,763	72,416	2,853,514	15,226,861	8,383,021

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	193,311	278,300	-	(30,559)	-	441,052
Restricted general funds						
General Annual Grant (GAG)	41,088	6,703,056	(5,878,614)	(721,458)	-	144,072
Central Services	68,104	-	(491,231)	474,115	-	50,988
Pupil Premium	8,313	337,144	(276,479)	-	-	68,978
Post 16 Bursary	28,588	27,417	(56,005)	-	-	-
Start Up Grant	10,055	-	(11,525)	1,470	-	-
School Meals	(6,453)	63,091	(70,325)	13,687	-	-
Devolved Formula Capital	19,447	-	(72,255)	52,808	-	-
Condition Improvement Fund	-	-	(736,869)	736,869	-	-
PE Grant	33,760	66,270	(28,680)	-	-	71,350
SEN Funding	(11,458)	89,129	(82,936)	5,265	-	-
Nursery Income	108	42,772	(42,545)	-	-	335
School Trips	429	131,833	(120,030)	4,797	-	17,029
Other restricted funds	846	26,848	(25,596)	(100)	-	1,998
Other ESFA grants	-	64,931	(64,931)	-	-	-
Pension reserve	(1,022,000)	-	(425,000)	229,000	(856,000)	(2,074,000)
	<u>(829,173)</u>	<u>7,552,491</u>	<u>(8,383,021)</u>	<u>796,453</u>	<u>(856,000)</u>	<u>(1,719,250)</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Restricted fixed asset funds						
Assets Transferred on Conversion	6,724,143	-	(50,226)	-	-	6,673,917
Assets Transferred in from Other Trusts	9,115,031	-	(264,212)	-	-	8,850,819
Assets Purchased from GAG	43,009	-	(6,944)	17,129	-	53,194
Assets Purchased from Start Up Grant	7,094	-	(3,548)	-	-	3,546
Condition Improvement Fund	632,072	244,387	(2,766)	(693,550)	-	180,143
Devolved Formula Capital	45,105	131,678	(926)	(89,473)	-	86,384
Assets Purchased from Donations	3,750	-	(1,250)	-	-	2,500
Assets Purchased from PE Grant	6,691	-	(2,231)	-	-	4,460
	<u>16,576,895</u>	<u>376,065</u>	<u>(332,103)</u>	<u>(765,894)</u>	<u>-</u>	<u>15,854,963</u>
Total Restricted funds	<u>15,747,722</u>	<u>7,928,556</u>	<u>(8,715,124)</u>	<u>30,559</u>	<u>(856,000)</u>	<u>14,135,713</u>
Total funds	<u>15,941,033</u>	<u>8,206,856</u>	<u>(8,715,124)</u>	<u>-</u>	<u>(856,000)</u>	<u>14,576,765</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	22,261,872	22,261,872
Current assets	473,297	2,662,887	130,045	3,266,229
Creditors due within one year	(53,702)	(772,071)	-	(825,773)
Creditors due in more than one year	(455,193)	(10,395)	-	(465,588)
Provisions for liabilities and charges	-	(9,438,000)	-	(9,438,000)
Total	(35,598)	(7,557,579)	22,391,917	14,798,740

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	15,747,176	15,747,176
Current assets	441,052	723,850	107,787	1,272,689
Creditors due within one year	-	(358,705)	-	(358,705)
Creditors due in more than one year	-	(10,395)	-	(10,395)
Provisions for liabilities and charges	-	(2,074,000)	-	(2,074,000)
Total	441,052	(1,719,250)	15,854,963	14,576,765

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	<i>2019</i>
	£	<i>£</i>
Net income/(expenditure) for the period (as per Statement of financial activities)	2,482,975	<i>(508,268)</i>
Adjustments for:		
Depreciation	448,650	<i>332,103</i>
Capital grants from DfE and other capital income	(109,913)	<i>(376,065)</i>
Interest receivable	(2,588)	<i>(700)</i>
Defined benefit pension scheme cost less contributions payable	712,000	<i>165,000</i>
Defined benefit pension scheme finance cost	111,000	<i>31,000</i>
(Increase)/decrease in debtors	(80,112)	<i>252,806</i>
Decrease in creditors	(79,623)	<i>(144,495)</i>
Assets transferred from other Trust	(2,004,114)	<i>-</i>
Net cash provided by/(used in) operating activities	1,478,275	<i>(248,619)</i>

21. Cash flows from financing activities

	2020	<i>2019</i>
	£	<i>£</i>
Repayments of borrowing	(90,786)	<i>-</i>
Interest charges on borrowing	3,443	<i>-</i>
Net cash (used in)/provided by financing activities	(87,343)	<i>-</i>

22. Cash flows from investing activities

	2020	<i>2019</i>
	£	<i>£</i>
Dividends, interest and rents from investments	2,588	<i>700</i>
Purchase of tangible fixed assets	(31,838)	<i>(170,925)</i>
Capital grants from DfE Group	109,913	<i>376,065</i>
Cash transferred in on transfer from other Trust	205,822	<i>-</i>
Net cash provided by investing activities	286,485	<i>205,840</i>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£	£
Cash in hand	2,685,308	<i>1,007,891</i>
Total cash and cash equivalents	2,685,308	<i>1,007,891</i>

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Loans transferred to Trust £	At 31 August 2020 £
Cash at bank and in hand	1,007,891	1,677,417	-	2,685,308
Debt due within 1 year	(1,485)	83,335	(137,037)	(55,187)
Debt due after 1 year	(10,395)	4,008	(459,201)	(465,588)
	996,011	1,764,760	(596,238)	2,164,533

25. Capital commitments

	2020	<i>2019</i>
	£	£
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements	188,276	<i>70,094</i>

26. 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 Norfolk Pension Fund. 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 £254,687 were payable to the schemes at 31 August 2020 (2019 - £91,019) and are included within creditors.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

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.

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 £1,280,559 (2019 - £561,148).

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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £751,000 (2019 - £290,000), of which employer's contributions totalled £589,000 (2019 - £229,000) and employees' contributions totalled £ 162,000 (2019 - £61,000). The agreed contribution rates for future years are 18.2 to 20.6 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 1.13 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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.1
Females	23.9	23.5
<i>Retiring in 20 years</i>		
Males	22.8	22.4
Females	25.5	25.0

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate -0.1%	531	<i>155</i>
Salary rate +0.1%	34	<i>21</i>
Pension rate +0.1%	488	<i>131</i>
	=====	<i>=====</i>

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	5,217,810	<i>1,385,230</i>
Corporate bonds	3,580,850	<i>1,017,720</i>
Property	1,125,410	<i>339,240</i>
Cash and other liquid assets	306,930	<i>84,810</i>
	=====	<i>=====</i>
Total market value of assets	10,231,000	<i>2,827,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £167,000 (*2019 - £138,000*).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	(1,301,000)	<i>(376,000)</i>
Past service cost	-	<i>(18,000)</i>
Interest income	135,000	<i>71,000</i>
Interest cost	(246,000)	<i>(102,000)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of financial activities	(1,412,000)	<i>(425,000)</i>
	=====	<i>=====</i>

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	4,901,000	3,427,000
Transferred in on existing academies joining the Trust	10,801,000	-
Interest cost	246,000	102,000
Employee contributions	162,000	61,000
Actuarial losses	2,293,000	923,000
Benefits paid	(35,000)	(6,000)
Past service costs	-	18,000
Current service cost	1,301,000	376,000
At 31 August	19,669,000	4,901,000

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

	2020 £	2019 £
At 1 September	2,827,000	2,405,000
Transferred in on existing academies joining the Trust	6,521,000	-
Interest income	135,000	71,000
Actuarial gains	32,000	67,000
Employer contributions	589,000	229,000
Employee contributions	162,000	61,000
Benefits paid	(35,000)	(6,000)
At 31 August	10,231,000	2,827,000

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	107,071	25,834
Later than 1 year and not later than 5 years	313,477	17,915
Later than 5 years	828,550	-
	<u>1,249,098</u>	<u>43,749</u>

28. 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.

29. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Expenditure Related Party Transactions

During the year, the spouse of Mr A Jones, a Trustee, received remuneration of £167 (2019: £403) for casual work carried out at an academy within the Trust.

During the year, the spouse of Mrs H Smith, a Member, received remuneration of £564 (2019: £993) for casual work carried out at an academy within the Trust.

Income Related Party Transactions

During the year, the Trust received £168,000 from Childhood First for services provided. Childhood First is a charity limited by guarantee by which Mr R Stephenson (a Member of the Trust) is employed as Business Development Director. As at 31 August 2020, £63,000 was owed by Childhood First, this amount is recognised within trade debtors.

On 1 January 2020 the schools of The Engage Multi Academy Trust were transferred into the Trust. Prior to this transfer, the Trust received £7,708 (2019: £56,735) from The Engage Multi Academy Trust for services provided. Mr G Hambling, CEO and a Trustee of the Trust was acting CEO of The Engage Multi Academy Trust at the time of these transactions.

UNITY EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

30. Transfer of existing academies into the Trust

Short Stay School for Norfolk and The Pinetree School

	Value reported by transferring trust £	Transfer in recognised £
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	6,890,507	6,890,507
Short-term leasehold property	19,020	19,020
Furniture and equipment	8,719	8,719
Computer equipment	13,262	13,262
Current assets		
Debtors due within one year	236,011	236,011
Cash at bank and in hand	205,822	205,822
Liabilities		
Creditors due within one year	(630,026)	(630,026)
Creditors due after one year	(459,201)	(459,201)
Pensions		
Pensions - pension scheme assets	6,521,000	6,521,000
Pensions - pension scheme liabilities	(10,801,000)	(10,801,000)
Net assets	<u>2,004,114</u>	<u>2,004,114</u>