



UNITY EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

UNITY EDUCATION TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 26
Independent reporting accountant's report on regularity	27 - 28
Statement of financial activities incorporating income and expenditure account	29 - 30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 73

UNITY EDUCATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr A Jones Mr M Salt (deceased 8 September 2020) Mr R Barr Mr G Hacon (resigned 31 August 2021) Mrs H Smith Mr R Margand Mr R Stephenson (resigned 31 August 2021)
Trustees	Mr A Jones Mr G Hambling, CEO and Accounting Officer Mr E Colman, Chair of Trustees Mr G Redwood Mr M Rose Mr C Taylor, Vice Chair of Trustees Mrs M Eade (resigned 31 August 2021) Mr D Freeman (resigned 23 September 2020) Ms A Randall Mr M Winson-Pearce Mr P Rout (appointed 1 June 2021)
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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

**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
Mrs J Thompson, Chief Financial Officer
Mrs A Sneddon, Head of Services
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, Co Head of School - Northgate High School
Dr D Hone, Co Head of School - Northgate High School
Mrs R Thornberry, Principal of Specialist Provision
Ms E Weatherall, Headteacher - Churchill Park Complex Needs School
Ms C Kirby, Headteacher - Highgate Infant School
Ms S Hayes, Co Head of Schools - Magdalen Academy, St Germans Academy
and Wimotsham and Stow Academy
Ms L Arrowsmith, Co Head of Schools - Magdalen Academy, St Germans Academy
and Wimotsham and Stow Academy
Mrs B Barrett, Headteacher - Greyfriars Academy
Mrs A De'Ath, Headteacher - King's Oak Academy
Mrs S Nour, Headteacher - Great Dunham Primary School

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

Stone King LLP
3rd Floor
Bateman House
Cambridge
CB2 1LQ

UNITY EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. 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 Short Stay School for Norfolk and The Pinetree School joined the Trust and on 1 June 2021 the academies of KWEST Multi Academy Trust, Churchill Park Complex Needs School, Highgate Infant School, Greyfriars Academy, Magdalen Academy, St Germans Academy, King's Oak Academy and Wimbotsham and Stow Academy, were transferred to the Trust. On 1 July 2021, Great Dunham Primary School converted to academy status and also joined the Trust.

Unity Education Trust operates eleven mainstream infant/primary schools, one mainstream secondary school, including a sixth form college in Norfolk.

The Trust has three 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, Badgersfield
- 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.

Churchill Park Complex Needs School is a single site school in King's Lynn providing education to children aged 5-9 who have special needs.

The Trust's academies have a combined pupil capacity of 3,219 and 2,745 pupils on roll in the October 2021 census (excluding Nursery) and 125 pupils receiving support through commissioned services.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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 Academy Review 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 Academy Review 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 2021

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 Academy Review 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.

f. Organisational structure

The Board of Trustees has established Academy Review 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, Academy Review 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 Academy Review 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 Financial 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 11 occasions between 1 September 2020 and 31 August 2021. It sets out 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 addition to Board and Committee Meetings, the Trustees held two strategic planning sessions.

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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

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 2020/21 was £6,160. The Trust also engages with Union representatives through regular JCC meetings.

i. Engagement with employees

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 the Executive Leadership Group.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including an Equal Opportunities Policy.

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

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust carefully assesses all potential trading partners in order to ensure that high standards of provision and value for money are achieved.

Regular contact points are built into all arrangements to ensure that operations continue to operate consistently and smoothly. In addition to maintaining relationships with existing long-term suppliers the Trust has been proactive in building relationships with a number of new suppliers.

All aspects of the Government guidance around treatment of suppliers across a range of business activities seen during 2020 in particular have been considered to ensure that the Trust has dealt with all its suppliers on a fair and consistent basis.

k. 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 Trustees, it is possible that transactions may take place with organisations with which a Trustee has an interest. The Trust maintains a register of Trustees' interests and publishes relevant parts on the Trust's website. In addition, Trustees are required to declare an interest in matters under discussion at Board of Trustees and committee meetings. If there is any doubt about Trustees' ability to act impartially they are required to withdraw from the meeting and not vote. Any transactions involving organisations with which a 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. It co-operates with Childhood First in the delivery of provision at Earthsea House and also co-operates with Norfolk and Suffolk NHS Trust in the delivery of provision in Compass Schools.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Objectives and activities

a. Objects and aims

UET is a Multi-Academy Trust built on developing like-minded schools to be outstanding education providers through collaborative working that develops a 'unity of purpose' in all that we do.

Our collaborative work ensures the development of outstanding teachers, subject specialists, tutors, support staff and experienced leaders with a record of transformation in education. We have strong central support services to ensure our schools continue to be supported to deliver exceptional service to our pupils, parents, carers and the local community.

All of our staff share the ethos of raising aspirations, unlocking potential and securing the best possible future for all young people attending our schools. We are committed to providing the best possible opportunities for all our learners and we continue to work hard to deliver outstanding education for learners from pre-school right up to age 19. Our school's range in size from 20 to 1200 students and effective collaboration, across our schools, is an important part of who we are.

UET 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 outstanding education setting that cares for all. The Trust sets high expectations in every aspect of its work, providing learners with the best opportunities through outstanding teaching, the development of 21st century facilities, inspirational leadership and a continued thirst for learning.

We ensure that each of our academies maintains its unique identity at the heart of their communities, engaging with all 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 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The vision of UET Schools is that each child experiences excellence with care every day. The Trust is founded on deeply held principles that every child has the right to a first-class education and in order to achieve this, UET schools provide a broad, balanced and challenging curriculum that inspires pupils' love of learning and successfully raises aspirations to fulfil potential.

We provide a curriculum which:

- Interests and motivates - through its content and range of teaching and learning opportunities, enrichment and engagement, supported by technologies that enhance learning;
- Enables students to develop the knowledge, understanding and skills upon which they can build from their starting points, interests and abilities to succeed in education, employment and training and enter the adult world with confidence;
- Allows students to make progress at a challenging pace and which also provides for the development of special aptitudes;
- In addition to fulfilling national requirements, will also meet the broader needs of our children in an ever-changing world. We value the need to provide our learners with key competencies that they can carry through life and focus on growth mindset, physical and mental health and wellbeing;
- Provides and maintains an environment in which ALL students can achieve success, where all students are valued and respected and extend the same value to others;
- Develops a concept of learning as a desirable, life-long and enjoyable process centred on curiosity and spiritual, moral social and cultural awareness.

For our staff we promote a positive work life balance and provide:

- career development opportunities where all feel valued;
- a strong continued professional development entitlement.

As a Trust we:

- engage effectively in school improvement programmes across the East of England;
- promote partnership working to enhance UET provision;
- welcome further opportunities for growth that would benefit all within UET.

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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Strategic report

Achievements and performance

a. Achievements and Performance

There were no examinations or tests during 2020 or 2021. The Trust has, however, continued in its mission to raise inspirations to fulfil potential. Pupils and students have continued to be involved in as wide a range of extra-curricular activities that has been allowed under Covid-19 restrictions, development and retention of staff has remained a priority and the schools of the Trust have continued to work together to enhance outcomes both in terms of academic progress and performance and economies of scale.

Key achievements include:

- High quality School Improvement and Development Plans embedded in all Trust schools
- Consistent approach to staff appraisal processes applied
- Growth of the Trust has continued with the addition of eight new schools
- Provision of a leadership development programme for aspiring leaders
- Ongoing review and monitoring of policies to ensure compliance
- Unrelenting focus on staff wellbeing in line with the Wellbeing Charter released in Spring 2021
- Robust financial planning procedures in place to ensure that staffing deployment and expertise is in line with curriculum structure and children's need
- Implementation of robust Covid-19 risk assessments and contingency plans in line with all legal and safeguarding expectations
- Delivery of on-line lessons and education materials to support home learning when students were unable to attend school due to Covid-19 restrictions

b. Key Performance Indicators

The Trust measures its performance against specific indicators in the following areas:

- Governance
- Finance
- Staffing
- Standards

in line with objectives from the MAT Development Plan.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

Trustees have sought to ensure the continued success of the Trust into the future.

In doing so, they have had due regard to the risks of all decisions made, confident that their diligence in these matters has mitigated any risks through the actions agreed.

Minutes of Trustee and Member meetings have recorded the reasons for all decisions.

- The Trust's Improvement and Development Plan and Scheme of Delegation have been reviewed and amended so that likely consequences of all decisions in the long term have been considered.
- The Trust has maintained close and transparent business relationships with suppliers and all stakeholders.
- In all business conduct and relationships with schools and stakeholders, the Trust's Board of Trustees has worked fully within the Nolan principles, maintaining a reputation for high standards in its work.
- Trustees have ensured they have acted fairly in all operations and conduct of business through their adherence to a corporate governance code of conduct.

d. 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 2021

Strategic report (continued)

Financial review

The Trust made an “operating surplus” of £2,404,573 for the year ended 31 August 2021. This figure excludes the impact of the transfers from KWEST Multi Academy Trust (see note 32) and the conversion of Great Dunham Primary School (see note 25).

Of the in year surplus, £1,638,524 arose at Short Stay School for Norfolk (see the movement in fund balances by academy in note 18). This surplus arose in part due to COVID restrictions limiting the provision that could be offered and partly due to a strategic decision to build reserves for potential restructuring costs to facilitate changes to the provision offered and building improvements.

Four of the Trust’s academies were in deficit at 31 August 2021 (see note 18). The academies transferred to Unity Education Trust in the year with historic deficits arising from over-staffing. Action has been taken to address the deficits and, since joining Unity Education Trust, the academies have made surpluses.

The net movement in the restricted fixed asset fund in the year ended 31 August 2021 was £18,295,334 (see the Statement of Financial Activities). Of this movement £18,124,312 relates to assets transferred from KWEST Multi Academy Trust and £531,709 from assets transferred from Great Dunham Primary School. The Trust also received laptops donated by the Department for Education of £143,625 and capital grants of £289,881 (see note 3). Depreciation for the year of £627,827 was charged to the fund. A transfer of £166,366 was made from the restricted fixed asset fund to restricted income funds relating to revenue expenditure eligible for funding from capital grants.

The Pension reserve liability increased from £9,438,000 to £21,784,000. Of this increase, £7,426,000 arose on the transfer of KWEST Multi Academy Trust and the conversion of Great Dunham Primary School.

The Trust’s balance sheet shows that cash at bank and in hand has increased to £6,164,439 and net current assets to £5,019,611.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

a. Reserves policy

The Trustees have a reserves and investment policy which was reviewed in July 2021. 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.

It is the policy of UET to have levels of reserves which are neither so high that they tie up money which should be spent on current Trust/school activities nor so low that they put future activities of the Trust/schools at risk.

The levels of reserves will be reviewed and set on an annual basis as part of the budget setting process. The Finance and Audit Committee may recommend to the Board of Trustees a single figure or separate figures for each school or different kinds of reserves and, in doing so, will have regard to factors including:

- the risks of unforeseen emergencies or other unexpected needs for funds;
- unforeseen day-to-day operational costs, such as the need to employ temporary staff to cover for long-term sickness;
- a fall in a source of income, during the year (e.g. lettings);
- planned commitments that cannot be met from future income alone, including funds set aside for major capital projects and the possibility of match-funding being required for projects supported by separate capital grants or donations;
- the need to fund temporary cash-flow deficits, to meet expenditure required before a funding grant is received.

The Finance and Audit Committee will determine who has authority to draw on reserves and will regularly review:

- the level of reserves held compared with the level(s) set at the beginning of the year;
- the reasons for any shortfall or excess in reserves;
- any actions taken or planned to restore the level of reserves.

The reserves target is currently £1.35m. As at 31 August 2021, the Trust had free reserves of £3,322,168, including GAG and central funds carried forward.

The Trust holds free reserves in excess of its reserves target and plans for future spending include:

- Restructuring costs - Short Stay School for Norfolk - £500,000
- MUGA fund - Northgate High School - £43,865
- Building improvements - £100,000
- MAT growth - £40,000

The reserves policy will be monitored regularly for any changes in legislation or directions from the DfE and evaluated in the light of comments made by the ESFA, auditors and other interested parties.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

b. Investment policy

In July 2021 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.

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. 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. All fundraising undertaken during the year was monitored by the Trustees.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Streamlined energy and carbon reporting

The Trust is required to report its greenhouse gas emissions and energy consumption data for the first time this year; comparative data for 2019/20 is therefore not available.

	2021
Energy consumption used to calculate emissions (kWh)	3,606,246
Energy consumption breakdown (kWh):	
Gas	2,452,119
Electricity	977,067
Transport fuel	73,626
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	468
Owned transport	15
Total scope 1	483
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	207
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	4
Total gross emissions (in tonnes of CO2 equivalent):	694
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.24

The Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

The Trust has continued to make physical improvements to its estates to improve energy efficiency. Increased use of video conferencing technology for meetings has reduced the need for travel between sites. An additional pool car has been added to the Trust vehicle fleet of minibuses and maintenance vans which is an electric vehicle.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Plans for future periods

In an ever-changing educational climate, bringing together leaders to shape and drive the educational ambition and operational management of a group of schools provides a powerful way to chart a successful path into the future.

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.

Unity Education Trust is committed to developing mutually beneficial partnerships with schools, businesses and other multi academy trusts.

Our priorities for the year ahead are:

Our schools as centres of excellence – our schools aim to be centres of excellence in learning and teaching where every child and young person makes outstanding progress from their individual starting points and ready for the next stage in their education and working life.

School to School and Trust to Trust Collaboration – our staff feel valued and can access opportunities for professional and career development and to share their skills and expertise across the Trust and with other schools.

Financial Stability, Quality of Learning Environment and Resources – our schools provide safe, stimulating and aspirational environments where children and staff have access to the best resources that have been sourced effectively.

Enhancing Leadership, Governance and Resources – our accountability and decision-making framework maximises value for money, safeguarding and teaching and learning accountability for the benefit of children and their families.

MAT Stability and Future Growth - in a world of ongoing change, UET wishes to continue to bring together leaders to shape and drive the educational ambition and operational management of our group of schools and we believe this provides a powerful way to chart a successful path into the future.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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 14 December 2021 and signed on its behalf by:



Mr E Colman
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 2021 the Board of Trustees met 11 times.

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

Trustee	Meetings attended	Out of a possible
Mr A Jones	11	11
Mr G Hambling, CEO and Accounting Officer	11	11
Mr E Colman, Chair of Trustees	10	11
Mr G Redwood	11	11
Mr M Rose	10	11
Mr C Taylor, Vice Chair of Trustees	6	11
Mrs M Eade	4	11
Ms A Randall	8	11
Mr M Winson-Pearce	6	11
Mr P Rout	2	2

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Hambling	6	6
Mr A Jones	6	6
Mr E Colman	3	6
Mr C Taylor	4	6
Ms A Randall	6	6
Mr M Winson-Pearce	3	6
Mr P Rout	1	1

In September 2020 and July 2021 the Trustees held strategy days to review key areas of the operation of the Trust and its schools. The days included a review and update of the risk register; a detailed analysis of the strengths, weaknesses, opportunities and threats facing aspects of the Trust's provision; the Trust's school improvement agenda; a self-review of the work of the Board of Trustees; and an update of the Trust'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 2021:

- 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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2021 and up to the date of this report.

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 2020 to 31 August 2021. 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 a 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.

In particular the checks carried out in the current period included:

- Testing of recruitment processes and administration of staffing records
- Testing of payroll processes and procedures

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 2021 the review has been informed by:

- the work of the external and internal auditors;
- the report of the School Resource Management Advisor;
- 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 14 December 2021 and signed on their behalf by:



Mr E Colman
Chair of Trustees



Mr G Hambling
Chief Executive Officer, Accounting Officer

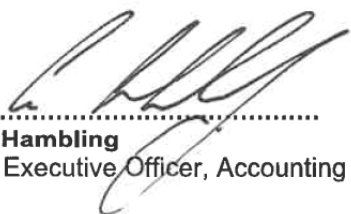
UNITY EDUCATION TRUST
(A company limited by guarantee)

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 2020.

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 2020.

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


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

Date: 14 December 2021

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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

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

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

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

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

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

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



.....
Mr E Colman
Chair of Trustees

Date: 14 December 2021

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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Date: 16 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Unity 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 2020.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

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

Date: 16 December 2021

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants:					
3 Transfer from other Trust	(362,127)	(7,275,000)	18,124,312	10,487,185	2,004,114
Transfer on conversion	25,514	(151,000)	531,709	406,223	-
Other donations and capital grants	650	4,431	433,506	438,587	119,402
Other trading activities	101,346	-	-	101,346	142,769
Investments	469	-	-	469	2,588
Charitable activities	32,227	22,924,197	-	22,956,424	15,889,613
	<u>(201,921)</u>	<u>15,502,628</u>	<u>19,089,527</u>	<u>34,390,234</u>	<u>18,158,486</u>
Total income					
Expenditure on:					
Charitable activities	-	21,942,747	627,827	22,570,574	15,675,511
	<u>-</u>	<u>21,942,747</u>	<u>627,827</u>	<u>22,570,574</u>	<u>15,675,511</u>
Total expenditure					
Net (expenditure)/income	<u>(201,921)</u>	<u>(6,440,119)</u>	<u>18,461,700</u>	<u>11,819,660</u>	<u>2,482,975</u>
Transfers between funds	18 (64,136)	230,502	(166,366)	-	-
Net movement in funds before other recognised gains/(losses)	<u>(266,057)</u>	<u>(6,209,617)</u>	<u>18,295,334</u>	<u>11,819,660</u>	<u>2,482,975</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	27 -	(3,636,000)	-	(3,636,000)	(2,261,000)
Net movement in funds	<u>(266,057)</u>	<u>(9,845,617)</u>	<u>18,295,334</u>	<u>8,183,660</u>	<u>221,975</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	(35,598)	(7,557,579)	22,391,917	14,798,740	14,576,765
Net movement in funds	(266,057)	(9,845,617)	18,295,334	8,183,660	221,975
Total funds carried forward	(301,655)	(17,403,196)	40,687,251	22,982,400	14,798,740

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

The notes on pages 34 to 73 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	40,517,949	22,261,872
		<u>40,517,949</u>	<u>22,261,872</u>
Current assets			
Debtors	15	969,590	580,921
Cash at bank and in hand		6,164,439	2,685,308
		<u>7,134,029</u>	<u>3,266,229</u>
Creditors: amounts falling due within one year	16	(2,114,418)	(825,773)
Net current assets		5,019,611	2,440,456
Total assets less current liabilities		45,537,560	24,702,328
Creditors: amounts falling due after more than one year	17	(771,160)	(465,588)
Net assets excluding pension liability		44,766,400	24,236,740
Defined benefit pension scheme liability	27	(21,784,000)	(9,438,000)
Total net assets		22,982,400	14,798,740
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	40,687,251	22,391,917
Restricted income funds	18	4,380,804	1,880,421
		<u>45,068,055</u>	<u>24,272,338</u>
Restricted funds excluding pension asset	18	45,068,055	24,272,338
Pension reserve	18	(21,784,000)	(9,438,000)
Total restricted funds	18	23,284,055	14,834,338
Unrestricted income funds	18	(301,655)	(35,598)
Total funds		22,982,400	14,798,740

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 73 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



Mr E Colman
Chair of Trustees

The notes on pages 34 to 73 form part of these financial statements.

UNITY EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,866,375	1,478,275
Cash flows from investing activities	22	830,468	286,485
Cash flows from financing activities	21	(217,712)	(87,343)
Change in cash and cash equivalents in the year		3,479,131	1,677,417
Cash and cash equivalents at the beginning of the year		2,685,308	1,007,891
Cash and cash equivalents at the end of the year	23, 24	6,164,439	2,685,308

The notes on pages 34 to 73 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 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

• **Transfer on conversion**

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

• **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.

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

• **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.

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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £5,000 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.

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.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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 2021

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Conversion to an academy

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

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.15 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.

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Transfer from other Trust	(362,127)	(7,275,000)	18,124,312	10,487,185	2,004,114
Transfer on conversion	25,514	(151,000)	531,709	406,223	-
Donations	650	4,431	143,625	148,706	9,489
Capital Grants	-	-	289,881	289,881	109,913
Total 2021	<u>(335,963)</u>	<u>(7,421,569)</u>	<u>19,089,527</u>	<u>11,331,995</u>	<u>2,123,516</u>
<i>Total 2020</i>	<u>(642,394)</u>	<u>(4,275,511)</u>	<u>7,041,421</u>	<u>2,123,516</u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	12,456,236	12,456,236	9,011,174
Other DfE/ESFA grants				
Pupil Premium	-	693,787	693,787	524,464
Teachers' pension grant	-	295,064	295,064	266,027
Start up grants	-	200,000	200,000	-
PE grant	-	113,319	113,319	73,449
Teachers' pay grant	-	104,419	104,419	94,452
School Meal funding	-	99,457	99,457	98,656
Rates Relief	-	66,926	66,926	62,312
Other ESFA grants	-	174,410	174,410	125,295
	-	14,203,618	14,203,618	10,255,829
Other Government grants				
LA commissioned places	-	7,531,882	7,531,882	5,001,632
SEN funding	-	285,140	285,140	107,632
Teachers' pension grant - LA	-	166,360	166,360	129,134
Nursery funding	-	74,620	74,620	23,502
Teachers' pay grant - LA	-	49,435	49,435	28,435
LA Pupil Premium	-	43,316	43,316	55,149
Other LA funding	-	9,090	9,090	14,983
	-	8,159,843	8,159,843	5,360,467
Other income from the Trust's educational operations	32,227	268,088	300,315	273,317
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	204,170	204,170	-
Other DfE/ESFA COVID-19 funding	-	88,478	88,478	-
	-	292,648	292,648	-
Total 2021	32,227	22,924,197	22,956,424	15,889,613
<i>Total 2020</i>	<i>30,684</i>	<i>15,858,929</i>	<i>15,889,613</i>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

4. Funding for the Trust's educational operations (continued)

The Trust received £204k of funding for catch-up premium and costs incurred in respect of this funding totalled £27k, with the remaining £177k to be spent in 2021/22.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lettings income	26,966	26,966	29,886
Insurance claims	24,996	24,996	54,752
Income from services provided	18,289	18,289	39,172
Rent income	1,555	1,555	1,697
Other income	29,540	29,540	17,262
Total 2021	<u>101,346</u>	<u>101,346</u>	<u>142,769</u>
<i>Total 2020</i>	<u>142,769</u>	<u>142,769</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income - local cash	469	469	2,588
<i>Total 2020</i>	<u>2,588</u>	<u>2,588</u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Educational operations:					
Direct costs	14,818,222	-	1,240,754	16,058,976	11,398,724
Support costs	2,764,535	1,963,944	1,783,119	6,511,598	4,276,787
Total 2021	<u><u>17,582,757</u></u>	<u><u>1,963,944</u></u>	<u><u>3,023,873</u></u>	<u><u>22,570,574</u></u>	<u><u>15,675,511</u></u>
<i>Total 2020</i>	<u><u>12,300,931</u></u>	<u><u>1,193,139</u></u>	<u><u>2,181,441</u></u>	<u><u>15,675,511</u></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	16,058,976	6,511,598	22,570,574	15,675,511
<i>Total 2020</i>	<u><u>11,398,724</u></u>	<u><u>4,276,787</u></u>	<u><u>15,675,511</u></u>	

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	14,269,871	9,945,054
Educational professional fees	644,091	460,758
Agency supply staff	548,351	367,114
Alternative provision	196,664	212,790
Educational supplies	119,919	72,416
Other direct costs	94,426	70,807
Examination fees	81,810	133,814
Bursary payments	32,725	31,280
Staff development	26,627	13,719
Staff insurance	23,510	13,330
Educational visits	18,513	68,703
Student transport	2,469	8,939
Total 2021	16,058,976	<i>11,398,724</i>

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,764,535	1,988,763
Maintenance of premises and equipment	761,734	337,096
Depreciation	627,827	448,650
Technology costs	456,541	182,767
Governance costs	344,331	258,741
Catering	314,620	166,706
Other support costs	246,757	171,713
Cleaning	227,500	143,017
Rent and rates	222,111	155,068
Energy costs	209,759	161,077
Pension interest	195,000	111,000
Insurance	50,646	35,875
Security and transport	42,712	30,163
Legal fees	22,271	25,654
Travel and subsistence	16,314	48,017
Recruitment and support	8,045	11,087
Bank interest and charges	895	1,393
Total 2021	6,511,598	4,276,787

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	152,462	85,736
Depreciation of tangible fixed assets	627,827	448,650
Fees paid to auditors for:		
- audit	26,220	19,500
- other services	8,830	8,093

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	12,135,768	8,548,880
Social security costs	1,129,095	793,931
Pension costs	3,769,543	2,582,453
	17,034,406	11,925,264
Agency staff costs	548,351	367,114
Staff restructuring costs	-	8,553
	17,582,757	12,300,931

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	-	7,823
Severance payments	-	730
	-	8,553

b. Staff numbers

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

	2021	2020
	No.	No.
Management	28	22
Teachers	178	130
Administration and support	374	210
	580	362

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	<i>No.</i>
Management	27	<i>22</i>
Teachers	158	<i>114</i>
Administration and support	197	<i>128</i>
	382	<i>264</i>

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>-</i>
In the band £70,001 - £80,000	4	<i>3</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £100,001 - £110,000	-	<i>1</i>
In the band £120,001 - £130,000	1	<i>-</i>

d. 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 £924,394 (*2020 £784,235*).

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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:

	2021 £	2020 £
Northgate High School	378,683	349,449
Beeston Primary School	32,467	27,780
Garvestone Community Primary School	35,570	31,806
Grove House Infant and Nursery School	40,685	37,627
King's Park Infant School	38,391	35,788
Short Stay School for Norfolk	754,649	598,767
The Pinetree School	44,000	29,333
Churchill Park Complex Needs School	60,501	-
Highgate Infant School	5,964	-
St Germans Academy	5,489	-
Magdalen Academy	4,113	-
Wimbotsham and Stow Academy	5,676	-
King's Oak Academy	9,705	-
Greyfriars Academy	15,285	-
Great Dunham Primary School	5,031	-
Total	1,436,209	1,110,550

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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:

		2021	2020
		£	£
Mr G Hambling, Chief Executive Officer	Remuneration	120,000 -	<i>100,000 -</i>
		125,000	<i>105,000</i>
	Pension contributions paid	25,000 -	<i>20,000 -</i>
		30,000	<i>25,000</i>

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 2021

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 2020	23,262,016	19,020	78,807	154,705	22,015	23,536,563
Additions	35,335	-	15,177	177,371	-	227,883
Transfer on conversion and from other Trust	18,555,855	-	90,569	9,597	-	18,656,021
At 31 August 2021	<u>41,853,206</u>	<u>19,020</u>	<u>184,553</u>	<u>341,673</u>	<u>22,015</u>	<u>42,420,467</u>
Depreciation						
At 1 September 2020	1,103,572	7,608	37,689	113,699	12,123	1,274,691
Charge for the year	531,428	11,412	31,012	50,911	3,064	627,827
At 31 August 2021	<u>1,635,000</u>	<u>19,020</u>	<u>68,701</u>	<u>164,610</u>	<u>15,187</u>	<u>1,902,518</u>
Net book value						
At 31 August 2021	<u>40,218,206</u>	<u>-</u>	<u>115,852</u>	<u>177,063</u>	<u>6,828</u>	<u>40,517,949</u>
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>

As part of the transfer of schools into the Trust, the Trust took on the remaining term for the following long-term leases:

Churchill Park Complex Needs School - 125 year lease with Norfolk County Council
 Highgate Infant School - 125 year lease with Norfolk County Council
 St Germans Academy - 125 year lease with Norfolk County Council
 Magdalen Academy - 75 year lease with Norfolk County Council
 Wimbotsham and Stow Academy - 125 year lease with Norfolk County Council
 King's Oak Academy - 125 year lease with Norfolk County Council
 Greyfriars Academy - 125 year lease with Norfolk County Council

These properties have been recognised at a value of £18,024,146.

In addition, when Great Dunham Primary School converted to an academy and joined the Trust, the Trust took on a lease for 125 years with Norfolk County Council. This property was recognised at a value of £531,709.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	22,537	90,450
Other debtors	10,308	-
Prepayments and accrued income	781,362	454,369
VAT repayable	155,383	36,102
	969,590	580,921
	969,590	580,921

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	431,903	55,187
Trade creditors	569,111	164,597
Other taxation and social security	345,764	224,955
Other creditors	405,210	254,687
Accruals and deferred income	362,430	126,347
	2,114,418	825,773
	2,114,418	825,773
	2021 £	2020 £
Deferred income at 1 September 2020	32,415	52,554
Resources deferred during the year	140,170	32,415
Amounts released from previous periods	(32,415)	(52,554)
	140,170	32,415
	140,170	32,415

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 (£94,967)
- Rates Relief (£8,363)
- Other income, including trips (£36,840).

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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

	2021	2020
	£	£
Other loans	771,160	465,588

Included within creditors is a loan from the ESFA of £716,997 which is provided on the following terms: Repayable interest-free over two years via deduction from GAG.

Also included in creditors are three loans totalling £24,921 (of which £18,616 is shown as payable after more than one year) from the ESFA. These are 0% 'Salix' loans. Repayments are to be made every six months via deduction from GAG until the loan amount is repaid.

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 £443,944 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 2021

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	(35,598)	(201,921)	-	(64,136)	-	(301,655)

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	1,315,943	12,456,236	(8,026,526)	(2,460,478)	-	3,285,175
Central Services	239,257	-	(1,336,818)	1,436,209	-	338,648
Pupil Premium	180,362	737,103	(576,913)	(9,755)	-	330,797
Post 16 Bursary	(2,368)	35,990	(30,879)	-	-	2,743
Start Up Grant	-	200,000	(89,212)	-	-	110,788
School Meals	3,897	99,457	(103,354)	-	-	-
Condition Improvement Fund	-	-	(391,708)	391,708	-	-
PE Grant	93,458	113,319	(99,239)	(10,178)	-	97,360
SEN Funding	354	285,140	(268,770)	-	-	16,724
Nursery Income	-	74,427	(72,945)	-	-	1,482
Other restricted funds	45,187	79,992	(91,453)	(4,164)	-	29,562
Other ESFA grants	4,331	155,156	(154,116)	-	-	5,371
Teachers' pay grant	-	153,854	(153,854)	-	-	-
Teachers' pension grant	-	461,424	(461,424)	-	-	-
LA Commissioned places	-	7,531,882	(7,520,042)	(11,840)	-	-
External place funding	-	252,000	(252,000)	-	-	-
Catch up premium	-	204,170	(42,016)	-	-	162,154
Other ESFA Covid-19 funding	-	88,478	(88,478)	-	-	-
Pension reserve	(9,438,000)	(7,426,000)	(2,183,000)	899,000	(3,636,000)	(21,784,000)
	(7,557,579)	15,502,628	(21,942,747)	230,502	(3,636,000)	(17,403,196)

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

**Restricted fixed
asset funds**

Assets

Transferred on Conversion	6,370,865	531,709	(115,894)	-	-	6,786,680
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Assets

Transferred in from Other Trusts	15,665,189	18,124,312	(450,621)	-	-	33,338,880
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Assets

Purchased from GAG	64,723	-	(13,759)	12,986	-	63,950
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Condition

Improvement Fund	155,892	170,853	(3,167)	(178,734)	-	144,844
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Devolved

Formula Capital	122,115	119,028	(7,996)	(36,555)	-	196,592
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Assets

Purchased from Donations	1,250	-	(1,250)	-	-	-
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Assets

Purchased from PE Grant	2,230	-	(3,826)	10,178	-	8,582
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Assets

Purchased from unrestricted funds	9,653	-	(2,574)	-	-	7,079
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Donated assets

	-	143,625	(23,938)	-	-	119,687
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Assets Purchaed from LA Grants

	-	-	(2,881)	16,004	-	13,123
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Assets

Purchased from Pupil Premium	-	-	(1,921)	9,755	-	7,834
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	22,391,917	19,089,527	(627,827)	(166,366)	-	40,687,251
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**Total
Restricted
funds**

	14,834,338	34,592,155	(22,570,574)	64,136	(3,636,000)	23,284,055
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Total funds

	14,798,740	34,390,234	(22,570,574)	-	(3,636,000)	22,982,400
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UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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: £899,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme; £12,986 to the restricted fixed asset funds representing fixed assets purchased from GAG monies; £1,436,209 to the Central Services fund representing Academy contributions to the central service charge; and £176,419 to restricted fixed asset funds to represent overspend from CIF funding. A further transfer of £64,136 was made from unrestricted funds to clear deficits arising on GAG funds.

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

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.

School Meals funding was to be used to provide every pupil in Reception and years 1 and 2 with a free school meal.

The **PE Grant** was received towards the cost of improving PE provision.

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 School, King's Oak Academy, Magdalen Academy, St Germans Academy and Wimbotsham and Stow Academy.

Catch up premium represents funding received to provide additional support to pupils following the Covid-19 pandemic.

The **Pension reserve** deficit at the 31 August 2021 was £21,784,000 and represents the Trust's share of the deficit of the Local Government Pension Scheme at that date.

Condition Improvement Funds were received to fund specific projects as approved by the ESFA. A transfer of £391,708 was made representing CIF funding expended on revenue projects, in line with the requirements of the funding.

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

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 2021.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	441,052	(466,353)	-	(10,297)	-	(35,598)

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
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	-	158,815	(154,484)	-	-	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)
	<u>(1,719,250)</u>	<u>11,583,418</u>	<u>(15,226,861)</u>	<u>66,114</u>	<u>(2,261,000)</u>	<u>(7,557,579)</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
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	3,546	-	(3,546)	-	-	-
Condition Improvement Fund	180,143	45,381	(3,157)	(66,475)	-	155,892
Devolved Formula Capital	86,384	64,532	(7,622)	(21,179)	-	122,115
Assets Purchased from Donations	2,500	-	(1,250)	-	-	1,250
Assets Purchased from PE Grant	4,460	-	(2,230)	-	-	2,230
Assets Purchased from unrestricted funds	-	-	(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 2021

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Northgate High School	616,343	490,957
Beeston Primary	78,816	39,508
Garvestone Primary	31,461	13,034
Grove House Infant and Nursery School	187,415	122,832
King's Park Infant School	203,492	181,245
Short Stay School for Norfolk	2,463,880	825,356
The Pinetree School	57,075	(96,127)
Churchill Park Complex Needs School	267,719	-
Highgate Infant School	(66,446)	-
St Germans Academy	(104,211)	-
Magdalen Academy	(95,954)	-
Wimbotsham and Stow Academy	59,658	-
King's Oak Academy	199,168	-
Greyfriars Academy	(361,284)	-
Great Dunham Primary School	26,279	-
Central Trust	515,738	268,018
Total before fixed asset funds and pension reserve	<u>4,079,149</u>	<u>1,844,823</u>
Restricted fixed asset fund	40,687,251	22,391,917
Pension reserve	(21,784,000)	(9,438,000)
Total	<u><u>22,982,400</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 2021

18. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Highgate Infant School	66,446
St Germans Academy	104,211
Magdalen Academy	95,954
Greyfriars Academy	361,284

The above schools transferred to Unity Education Trust with an historic deficit due to over staffing.

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

Staffing has now been fully reviewed and the deficit is being cleared. It is expected that the schools will return to a surplus position following this restructure.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

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 2021	<i>Total 2020</i>
	£	£	£	£	£	£
Northgate High School	4,281,310	425,341	34,305	1,179,629	5,920,585	5,452,586
Beeston Primary School	317,639	23,588	5,545	47,539	394,311	344,028
Garvestone Community Primary School	307,235	38,932	3,915	44,489	394,571	381,327
Grove House Infant School	331,426	68,460	8,065	72,529	480,480	443,730
Kings Park Infant School	325,218	41,665	8,114	79,191	454,188	415,236
Short Stay School for Norfolk	6,771,811	530,919	55,577	1,470,519	8,828,826	5,852,081
The Pinetree School	559,886	69,252	5,605	71,049	705,792	416,632
Churchill Park Complex Needs School	724,107	79,985	(125)	53,951	857,918	-
Highgate Infant School	95,526	12,408	70	17,451	125,455	-
St Germans Academy	89,784	11,334	198	24,911	126,227	-
Magdalen Academy	57,525	12,087	53	16,404	86,069	-
Wimbotsham and Stow Academy	91,834	14,939	350	17,760	124,883	-
King's Oak Academy	164,405	12,224	1,558	36,825	215,012	-
Greyfriars Academy	259,561	22,044	(294)	36,581	317,892	-
Great Dunham Primary School	44,117	8,903	209	8,412	61,641	-

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

18. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Central Trust	396,838	1,392,454	(3,226)	1,062,831	2,848,897	1,921,241
Trust	<u>14,818,222</u>	<u>2,764,535</u>	<u>119,919</u>	<u>4,240,071</u>	<u>21,942,747</u>	<u>15,226,861</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	40,517,949	40,517,949
Current assets	879,919	6,084,808	169,302	7,134,029
Creditors due within one year	(429,030)	(1,685,388)	-	(2,114,418)
Creditors due in more than one year	(752,544)	(18,616)	-	(771,160)
Provisions for liabilities and charges	-	(21,784,000)	-	(21,784,000)
Total	<u>(301,655)</u>	<u>(17,403,196)</u>	<u>40,687,251</u>	<u>22,982,400</u>

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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

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

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	11,819,660	2,482,975
Adjustments for:		
Depreciation	627,827	448,650
Capital grants from DfE and other capital income	(289,881)	(109,913)
Interest receivable	(469)	(2,588)
Defined benefit pension scheme cost less contributions payable	1,089,000	712,000
Defined benefit pension scheme finance cost	195,000	111,000
Increase in debtors	(25,204)	(80,112)
Increase/(decrease) in creditors	487,475	(79,623)
Assets transferred from other Trust	(10,487,185)	(2,004,114)
Assets transferred on conversion	(406,223)	-
Assets donated from DfE	(143,625)	-
Net cash provided by operating activities	2,866,375	1,478,275

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

21. Cash flows from financing activities

	2021	2020
	£	£
Cash inflows from new borrowing	11,093	-
Repayments of borrowing	(238,189)	(90,786)
Interest charges on borrowing	9,384	3,443
Net cash used in financing activities	(217,712)	(87,343)

22. Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	469	2,588
Purchase of tangible fixed assets	(84,258)	(31,838)
Capital grants from DfE Group	171,437	109,913
Cash transferred in on transfer from other Trust	717,306	205,822
Cash transferred in on conversion	25,514	-
Net cash provided by investing activities	830,468	286,485

23. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	6,164,439	2,685,308
Total cash and cash equivalents	6,164,439	2,685,308

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Loans transferred to Trust £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	2,685,308	3,479,131	-	-	6,164,439
Debt due within 1 year	(55,187)	232,668	(600,000)	(9,384)	(431,903)
Debt due after 1 year	(465,588)	(5,572)	(300,000)	-	(771,160)
	<u>2,164,533</u>	<u>3,706,227</u>	<u>(900,000)</u>	<u>(9,384)</u>	<u>4,961,376</u>

25. Conversion to an academy

On 1 July 2021 Great Dunham Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Unity Education Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	531,709	531,709
Current assets				
Cash - representing budget surplus on LA funds	25,514	-	-	25,514
LGPS Pension deficit	-	(151,000)	-	(151,000)
Net assets/(liabilities)	<u>25,514</u>	<u>(151,000)</u>	<u>531,709</u>	<u>406,223</u>

The land and buildings of Great Dunham Primary School are held on lease from Norfolk County Council for a period of 125 years from the date of conversion.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

26. Capital commitments

	2021	2020
	£	£
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements	-	188,276
	<u> </u>	<u> </u>

27. 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 £405,210 were payable to the schemes at 31 August 2021 (2020 - £254,687) and are included within creditors.

Teachers' Pension Scheme

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,679,309 (2020 - £1,280,559).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,146,000 (2020 - £751,000), of which employer's contributions totalled £899,000 (2020 - £589,000) and employees' contributions totalled £247,000 (2020 - £162,000). The agreed contribution rates for future years are 18.2 to 20.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.3	23.9
<i>Retiring in 20 years</i>		
Males	23.2	22.8
Females	26.2	25.5

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate -0.1%	1,050	531
Salary rate +0.1%	66	34
Pension rate +0.1%	969	488

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	9,810,870	5,217,810
Corporate bonds	6,540,580	3,580,850
Property	2,116,070	1,125,410
Cash and other liquid assets	769,480	306,930
Total market value of assets	19,237,000	10,231,000

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

27. Pension commitments (continued)

The actual return on scheme assets was £2,257,000 (2020 - £167,000).

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

	2021 £	2020 £
Current service cost	(1,988,000)	(1,301,000)
Interest income	206,000	135,000
Interest cost	(401,000)	(246,000)
Total amount recognised in the Statement of financial activities	(2,183,000)	(1,412,000)

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

	2021 £	2020 £
At 1 September	19,669,000	4,901,000
Transferred in on conversion	392,000	-
Transferred in on existing academies joining the Trust	12,736,000	10,801,000
Interest cost	401,000	246,000
Employee contributions	247,000	162,000
Actuarial losses	5,687,000	2,293,000
Benefits paid	(99,000)	(35,000)
Current service cost	1,988,000	1,301,000
At 31 August	41,021,000	19,669,000

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

	2021 £	2020 £
At 1 September	10,231,000	2,827,000
Transferred in on conversion	241,000	-
Transferred in on existing academies joining the Trust	5,461,000	6,521,000
Interest income	206,000	135,000
Actuarial gains	2,051,000	32,000
Employer contributions	899,000	589,000
Employee contributions	247,000	162,000
Benefits paid	(99,000)	(35,000)
At 31 August	19,237,000	10,231,000

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	141,853	107,071
Later than 1 year and not later than 5 years	388,305	313,477
Later than 5 years	774,040	828,550
	<u>1,304,198</u>	<u>1,249,098</u>

29. 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.

30. 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 Mrs H Smith, a Member, received remuneration of £277 (2020: £564) for casual work carried out at an academy within the Trust.

During the year, professional fees of £19,380 were paid to Spire Solicitors LLP, an entity of which Roger Margand, a Member, is also a Member and Partner. At the year end date £540 was outstanding and recognised within trade creditors. The Trust made the purchases at arm's length and in entering the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2020.

Income Related Party Transactions

During the year, the Trust received £252,000 (2020: £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 2021, £21,000 (2020: £63,000) was owed by Childhood First, this amount is recognised within trade debtors.

UNITY EDUCATION TRUST
(A company limited by guarantee)

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

31. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the Trust received £5,448 (2020: £Nil) and disbursed £5,448 (2020: £Nil) from the fund. There was no amount included in other creditors relating to undistributed funds that are repayable to ESFA.

32. Transfer of existing academies into the Trust

KWEST Multi Academy Trust

	Value reported by transferring trust £	Transfer in recognised £
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	18,024,146	18,024,146
Furniture and equipment	90,569	90,569
Computer equipment	9,597	9,597
Current assets		
Debtors due within one year	245,021	245,021
Cash at bank and in hand	717,306	717,306
Liabilities		
Creditors due within one year	(824,454)	(824,454)
Creditors due after one year	(500,000)	(500,000)
Pensions		
Pensions - pension scheme assets	5,461,000	5,461,000
Pensions - pension scheme liabilities	(12,736,000)	(12,736,000)
Net assets	<u>10,487,185</u>	<u>10,487,185</u>