

Company Registration Number: 07563436 (England and Wales)

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	<b>1 - 2</b>
<b>Trustees' Report</b>	<b>3 - 9</b>
<b>Governance Statement</b>	<b>10 - 12</b>
<b>Statement on Regularity, Propriety and Compliance</b>	<b>13</b>
<b>Statement of Trustees' Responsibilities</b>	<b>14</b>
<b>Independent Auditors' Report on the Financial Statements</b>	<b>15 - 17</b>
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	<b>18 - 19</b>
<b>Statement of Financial Activities incorporating the Income and Expenditure account</b>	<b>20</b>
<b>Balance Sheet</b>	<b>21</b>
<b>Statement of Cash Flows</b>	<b>22</b>
<b>Notes to the Financial Statements</b>	<b>23 - 46</b>

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>Members</b>	Diocese of St Albans Educational Trust Mr N Kier (appointed by the Diocese of St Albans Educational Trust) Mr D Morton (appointed by the Diocese of St Albans Educational Trust) Mr C Osborne (appointed by the Diocese of St Albans Educational Trust) Mr N J R Papé (Chair of Directors)
<b>Trustees</b>	Mr S P Andrews Mrs E J Ferguson Mrs L M Fraser, Vice Chair (until 7 March 2018) Mr N J R Papé, Chair Mrs J E Ruff, Vice Chair (from 7 March 2018) Rev R S Stokes
<b>Company registered number</b>	07563436
<b>Company name</b>	Unity Church of England Multi Academy Trust
<b>Principal and registered office</b>	Great Barford Church of England Primary Academy Silver Street Great Barford Bedford Bedfordshire MK44 3HZ
<b>Senior management team</b>	Alban Academy: Mr C W Chipperton, Headteacher (retired 31 August 2018) Mr K Campion, Assistant Headteacher (retired 31 August 2018) Mrs M J Dawson, School Manager (retired 31 August 2018)  Great Barford Primary Academy: Mrs S Evans, Headteacher Mrs S Collins, Assistant Headteacher Mrs S Ingram, Business Manager
<b>Independent auditors</b>	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedfordshire MK44 3BZ
<b>Bankers</b>	Natwest Bank plc 81 High Street Bedford MK40 1YN

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Multi Academy Trust continued to operate Alban Academy and Great Barford Primary Academy throughout the year with the planned closure of Alban Academy on 31 August 2018. Both schools serve a catchment area covering the village of Great Barford as well as surrounding villages and towns, and the educational provision extends to children from nursery to 13 years for this period. Its academies have a combined pupil capacity of 735 and had a roll of 530 in the school census October 2017.

Since the Multi Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Structure, governance and management**

**a. CONSTITUTION**

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Unity Church of England Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as UMAT.

Details of the trustees who served during the 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 has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000.

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Academy is the responsibility of the Trustees/Directors who are appointed by the Members under the terms of the Memorandum and Articles of Association.

The Memorandum and Articles of Association states that the members of the trust shall comprise:

- the Diocese of St Albans Educational Trust
- three individuals appointed by the Diocese of St Albans Educational Trust
- the Chairman of Directors, and
- any person appointed under Article 16

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trust is also required to appoint the following directors:

- no fewer than 5 directors, appointed under Article 50, and
- up to 2 staff directors, appointed under Article 50A, and
- parent directors, appointed under Articles 53-56m in the event that no provision is made for parent representatives on the Local Governing Bodies under Article 101A.

Staff directors are optional, not a requirement, but will include the Chief Executive Officer (when appointed).

Directors are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer who will remain a director for as long as he/she remains in office. Subject to remaining eligible to be a particular type of director, any director can be re appointed or re-elected.

The Chair and Vice Chair are elected annually for each school year, but neither can be an employee of the trust. The directors appoint Chief Executive Officer and the Principals (Headteachers) of the member academies, who have responsibility for the day to day management of each academy. The directors also appoint a clerk who is responsible for trustee induction, meeting arrangements, company secretary duties and minute taking and who ensures each trustee receives a current copy of the 'Guide to the Law'. Below the trust board each school has a local governing body.

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The training and induction provided for new trustees will depend upon their existing experience but would usually include a tour of the academy schools and a chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustee. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual. Full advantage is taken of specific courses offered by the Local Authority; again, dependent upon the trustee's experience and recent training history.

**f. ORGANISATIONAL STRUCTURE**

The board of trustees establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of committees. The Scheme of Delegation devolves authorisation for the oversight of the schools to the Local Governing Bodies and receives reports from the Local Governing Bodies for ratification. Day to day management is delegated to the Headteacher and members of the leadership team in each school.

The board may from time to time establish working groups to perform specific tasks over a limited timescale. Curriculum subject leaders report to Local Governing Bodies on a rotational basis and all trustees have enhanced Disclosure and Barring Service (DBS) clearance.

Mrs S Evans, Headteacher of Great Barford Primary Academy, was appointed as the Accounting Officer for the Multi Academy Trust on 1 September 2017, following the retirement of Mrs S Lourensz. Mr C Chipperton was appointed as Headteacher of Alban Academy for the year up to 31st August 2018 until Alban Academy closed.

**g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

No trustee receives any remuneration for their work as a trustee.

Key management personnel is determined as the Headteacher, Assistant Headteacher and School Manager in each school.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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Alban Academy pay for the Headteacher and Assistant Headteachers is set within the school group range in the School Teacher Pay and Conditions Document. Where it has proved difficult to recruit, as in the case of the Headteacher, governors included a discretionary percentage in line with other posts of similar responsibility. School Manager pay uses the NJC Scales published by the Local Authority. Any change in salary is supported by re evaluation of job description by Local Authority HR, which is then bench marked with other posts with similar responsibilities across the Authority.

Great Barford Primary Academy pay for the Headteacher and Assistant Head is set within the school group range. Business Manager uses NJC scales.

The local governing bodies meet termly to review staffing matters, including salaries and pay awards and to make any changes to salary structures with advice from HR. The school salary policy and appraisal policies are reviewed and ratified by the trustees' annually.

**h. TRADE UNION FACILITY TIME**

There were no employees who were relevant union officials during the year.

**i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no related parties which either control or significantly influence the decisions and operations of Unity Church of England Multi Academy Trust, though it works with 'Friends of Alban' and 'Friends of Great Barford Primary Academy' in the pursuit of charitable activities and fundraising.

Related party relationships arising from the trustees' positions within other connected organisations are included on the register of business interests which is available from the trust's website. Details of any transactions with related parties are disclosed in note 25.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The aims of the Multi Academy Trust are "to provide the best possible education for our children, helping them to achieve the fullness of their potential whilst supporting and developing our staff and communities."

The trust seeks to be a school led MAT, staying small enough to care while being large enough to share our resources.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

Key activities and targets for each school included the following:

- To ensure the curriculum assessment procedures are in line with the national curriculum.
- To improve teaching and learning.
- To improve behaviour outside of lessons to outstanding.
- To make explicit, develop and embed the Christian values of the Great Barford Primary Academy.
- To determine the future provision for primary education in Great Barford
- To finalise the closure of Alban Academy
- To support Great Barford Primary Academy in the expansion of the school
- To increase the schools in Unity Church of England MAT

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**c. PUBLIC BENEFIT**

The trustees confirm that they have complied with the duty to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the trust's aims and objectives and in planning its future activities.

**Achievements and performance**

**a. ACTIVITIES FOR ACHIEVING OBJECTIVES**

This year Alban Academy continued to provide education to children aged 9 to 13 while going through the formal process of closing, the closure took place on 31st August 2018.

Great Barford Primary Academy continued to provide education to nursery and lower school children up to the age of 9 while preparing to become a primary, Church of England school and move premises, which took place on 1st September 2018. The trust is currently seeking to establish a strategy to increase the schools within the Trust.

**b. KEY PERFORMANCE INDICATORS**

The following Key Performance Indicators were noted for achievement of pupils at Alban Academy. This was a difficult year for Alban with a relatively inexperienced teaching team and other pressures outside the classroom, the KS2 results were disappointing against the work staff and pupils had contributed.

**SATs KS2 results were as follows:**

Reading – 65% (2017 – 76%)

SPAG – 70% (2017 – 71%)

Maths – 53% (2017 – 71%)

The following Key Performance Indicators were noted for achievement of pupils at Great Barford Primary Academy:

**Early Years Foundation Stage**

Year R 2018 – 74.1% good level of development, 3% above national expectations

Historical results: (2017 – 69%, 2016 – 65.5%, 2015 – 73.3%)

**Phonics**

Year 2 – 100% pass (2017 100%)

Year 1 – 88.9% pass (2017 84%)

Phonic scores were high and above national expectation

**SATs results KS1 were as follows:**

Reading attaining EXS or better – 81.8% (2017 – 73.3%)

Reading attaining GDS – 18.2% (2017 – 16.7%)

Writing attaining EXS or better – 68.2% (2017 – 60%)

Writing attaining GDS – 13.6% (2017 – 0%)

Maths attaining EXS or better – 81.8% (2017 – 70%)

Maths attaining GDS – 9.1% (2017 – 3.3%)



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Financial review**

**a. RESERVES POLICY**

The trustees have given careful consideration to the level of reserves held by the Multi Academy Trust. The trust seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the ESFA and other sources.

Budgets for 2017/18 forecasted an in-year deficit, this takes account of the closure of Alban Academy on 31 August 2018, with the associated redundancy provision, and the costs of providing primary education on the current site. Also the changing pupil numbers at both academies.

The trustees monitored the level of reserves closely during the year. Periodically Bedford Borough Council also monitored the trust's financial situation and in June 2018 made the decision to financial support the Trust by making a contribution to the redundancy costs.

The budget for 2018/19 which only reflects Great Barford Primary Academy position and is forecasting an in-year deficit. This is due primarily to the next year being a transition to a primary academy, from two sites to one bigger site, therefore we foresee extra costs in the budget that will be one off costs due to the changing provision.

Any reverses left after the closure of Alban Academy have not been included in the Trust's budget for 2018/19.

It is difficult to determine the level of reserves needed for the future provision of primary education in the village at the present time, and the trustees continue to monitor the situation closely.

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

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

**Financial** - the the trust has considerable reliance on continued Government funding through the ESFA. The level of funding is dependent on pupil numbers and there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Safeguarding and child protection** - the trustees continue to ensure that the highest standards are maintained in the areas of recruitment, selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the trust is reliant on the quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - the trust has appointed Strictly Education Limited as internal auditor, to carry out a programme of checks on the financial systems and records, as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register was introduced by Alban Academy which has now been adopted by Unity Multi Academy Trust and is reviewed and updated on a regular basis.

**c. GOING CONCERN**

After making appropriate enquiries, the Board of Trustees has confirmed that they expect the Multi Academy Trust to have adequate resources, to be able 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.

**d. INVESTMENTS POLICY**

The trust's investment policy aims to ensure that:

- The academy trust's funds are only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors.

At the present time the trust has no funds to invest.

**Fundraising**

The trust is committed to fundraising practices therefore following the 6 principles of fundraising.

- Planning effectively
- Supervising the trust's fundraisers
- Protecting the trust's charity reputation, money and other assets
- Identifying and ensuring compliance with the laws or regulations that apply specifically to the trust
- Identifying and following any recognised standards that apply to the trust's fundraising
- Being open and accountable

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The trust strives to provide outstanding education which will allow every child to achieve their full potential.

The trust will do this by seeking to attract high quality teachers who can deliver excellent teaching, employing support staff that can deliver against trust objectives, developing the facilities to provide a safe and stimulating environment for learning, and by regularly reviewing the performance of its schools against these objectives.

The Multi Academy Trust is keen to draw in new schools, to advance education with a designated Church of England religious character. Great Barford Primary Academy is also looking to hire out the school's specialist facilities and surplus space to neighbouring schools.

**FUNDS HELD AS CUSTODIAN**

The Academy and its directors do not act as the Custodian Trustees of any other Charity.

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 14 November 2018 and signed on its behalf by:



**Mr N J R Papé**  
**Chair of Trustees**

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Unity Church of England Multi Academy 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.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Church of England Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S P Andrews	8	11
Mrs E J Ferguson	9	11
Mrs L M Fraser	7	11
Mr N J R Papé	7	11
Mrs J E Ruff	11	11
Rev R S Stokes	10	11

The MAT board have sought to co-opt individuals with the relevant skills and expertise to assist with the restructuring from 3 tier to 2 tier primary education within the village.

The Accounting Officer, Headteacher, Finance Manager and the Chair of each school's Local Governing Body also attended the MAT Board meetings.

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Multi Academy 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 Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Examining the costs of purchases, particularly large orders, for competitive pricing and sharing costs between member schools where appropriate
- Reviewing all contracts for value for money
- Reviewing all salary expenditure and keeping costs to a minimum whilst retaining good teachers and ensuring that the standard of education is maintained

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**GOVERNANCE STATEMENT (continued)**

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**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 Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Church of England Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the local governing bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Strictly Education Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Autumn term - review of Payroll, Purchasing, Income, Fixed assets, Pupil Premium grants and Ledger control accounts
- Spring term - review of Payroll and personnel, Budget setting and monitoring, Annual accounts and audit review, Fixed assets, Cash collection and Data security
- Summer term - review of Purchases, Payments, Governance and finance policies, Risk management and insurance, Income and banking controls, Taxation and investments.

On a termly basis, the auditor reports to the board of trustees through the a written report on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 November 2018 and signed on their behalf, by:



**Mr N J R Papé**  
**Chair of Trustees**



**Mrs S H Evans**  
**Accounting Officer**

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Unity Church of England Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



**Mrs S H Evans**  
Accounting Officer

Date: 14 November 2018

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 Annual Accounts Direction issued by the Education & 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 14 November 2018 and signed on its behalf by:



**Mr N J R Papé**  
**Chair of Trustees**



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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY  
CHURCH OF ENGLAND MULTI ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Unity Church of England Multi Academy Trust (the 'Multi Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 Multi Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY  
CHURCH OF ENGLAND MULTI ACADEMY TRUST**

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**OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY  
CHURCH OF ENGLAND MULTI ACADEMY TRUST**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the Multi Academy 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 Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Multi Academy Trust or to cease operations, or have no realistic alternative but to do so.


**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the Multi Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Multi Academy 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 Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
Linda J Lord FCA BSc TEP (Senior Statutory Auditor)  
for and on behalf of  
**Streets Audit LLP**  
Chartered Accountants  
Statutory Auditors  
Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ  
Date: 6 December 2018

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY  
CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Church of England Multi Academy Trust during the year 1 September 2017 to 31 August 2018 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 Church of England Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Unity Church of England Multi Academy Trust and the 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 Church of England Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Unity Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 14 March 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY  
CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**  
(continued)

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The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments.
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year.
- Discussion with the Finance Team.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Linda J Lord FCA BSc TEP

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ

Date: 6 December 2018

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations & capital grants:						
Net assets on conversion of GBPA	2	-	-	-	-	1,667,213
Other donations and capital grants	2	98,959	-	17,362	116,321	237,063
Charitable activities		1,280	3,162,706	-	3,163,986	2,432,733
Other trading activities	4	11,077	-	-	11,077	15,546
Investments	5	12	-	-	12	-
<b>Total income</b>		<b>111,328</b>	<b>3,162,706</b>	<b>17,362</b>	<b>3,291,396</b>	<b>4,352,555</b>
<b>Expenditure on:</b>						
Raising funds	6	97,529	-	-	97,529	166,771
Charitable activities	7	-	3,244,487	83,352	3,327,839	2,521,257
Other expenditure	8	-	-	2,138,400	2,138,400	-
<b>Total expenditure</b>	6, 7	<b>97,529</b>	<b>3,244,487</b>	<b>2,221,752</b>	<b>5,563,768</b>	<b>2,688,028</b>
<b>Net income / (expenditure) before transfers</b>		<b>13,799</b>	<b>(81,781)</b>	<b>(2,204,390)</b>	<b>(2,272,372)</b>	<b>1,664,527</b>
Transfers between Funds	18	(3,000)	(4,012)	7,012	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>10,799</b>	<b>(85,793)</b>	<b>(2,197,378)</b>	<b>(2,272,372)</b>	<b>1,664,527</b>
Actuarial gains on defined benefit pension schemes	23	-	210,000	-	210,000	274,000
<b>Net movement in funds</b>		<b>10,799</b>	<b>124,207</b>	<b>(2,197,378)</b>	<b>(2,062,372)</b>	<b>1,938,527</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		103,741	(966,721)	2,225,792	1,362,812	(575,715)
<b>Total funds carried forward</b>		<b>114,540</b>	<b>(842,514)</b>	<b>28,414</b>	<b>(699,560)</b>	<b>1,362,812</b>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07563436

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	14		28,414		2,185,140
<b>Current assets</b>					
Stocks	15	5,821		3,860	
Debtors	16	48,647		110,732	
Cash at bank and in hand		395,352		274,649	
		<u>449,820</u>		<u>389,241</u>	
<b>Creditors: amounts falling due within one year</b>	17	(193,794)		(139,569)	
<b>Net current assets</b>			<u>256,026</u>		<u>249,672</u>
<b>Total assets less current liabilities</b>			<u>284,440</u>		<u>2,434,812</u>
Defined benefit pension scheme liability	23	(984,000)		(1,072,000)	
<b>Net (liabilities)/assets including pension scheme liabilities</b>			<u>(699,560)</u>		<u>1,362,812</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	141,486		105,279	
Restricted fixed asset funds	18	28,414		2,225,792	
Restricted income funds excluding pension liability		<u>169,900</u>		<u>2,331,071</u>	
Pension reserve		(984,000)		(1,072,000)	
Total restricted income funds			<u>(814,100)</u>		<u>1,259,071</u>
Unrestricted income funds	18		114,540		103,741
<b>Total (deficit)/funds</b>			<u>(699,560)</u>		<u>1,362,812</u>

The financial statements on pages 20 to 46 were approved by the trustees, and authorised for issue, on 14 November 2018 and are signed on their behalf, by:

  
Mr N J R Papé  
Chair of Trustees

  
Mrs S H Evans  
Accounting Officer

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<u>128,488</u>	<u>152,239</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,535	1,535
Proceeds from the sale of tangible fixed assets		-	3,750
Purchase of tangible fixed assets		<u>(9,320)</u>	<u>(29,547)</u>
<b>Net cash used in investing activities</b>		<u>(7,785)</u>	<u>(24,262)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>120,703</b>	<b>127,977</b>
Cash and cash equivalents brought forward		<u>274,649</u>	<u>146,672</u>
<b>Cash and cash equivalents carried forward</b>		<u><b>395,352</b></u>	<u><b>274,649</b></u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Unity Church of England Multi Academy Trust constitutes a public benefit entity as defined by 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 Multi Academy Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements on 14 November 2018 and have concluded that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future.

**1.3 Income**

All income is recognised once the Multi Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

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

Expenditure on charitable activities are costs incurred on the Multi Academy Trust's educational operations, including support costs and those costs relating to the governance of the Multi Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term Leasehold Property	-	Over the term of 125 year lease
Furniture and fixtures	-	20% per annum straight line
Motor vehicles	-	20% per annum 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 incorporating Income and Expenditure Account.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Taxation**

The Multi Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Multi Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities and provisions**

Liabilities and provisions 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 Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

The Multi Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. 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 costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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1. ACCOUNTING POLICIES (continued)

1.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

1.15 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 Multi Academy Trust 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Net assets on conversion of Great Barford Primary Academy	-	-	-	-	1,667,213
Donations	2,215	-	-	2,215	45,313
Government capital grants	-	-	17,362	17,362	23,778
School Fund income	96,744	-	-	96,744	167,972
Subtotal	98,959	-	17,362	116,321	237,063
	98,959	-	17,362	116,321	1,904,276
Total 2017	184,161	(489,898)	2,210,013	1,904,276	

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Alban CofE Academy	1,280	2,217,457	2,218,737	2,204,351
Great Barford Primary Academy	-	945,249	945,249	228,382
<b>Total</b>	<b>1,280</b>	<b>3,162,706</b>	<b>3,163,986</b>	<b>2,432,733</b>

**FUNDING FOR EDUCATIONAL OPERATIONS**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<b>DfE / EFA REVENUE GRANTS</b>				
General Annual Grant	-	2,405,718	2,405,718	2,154,225
Other DfE/EFA Grants	-	201,108	201,108	152,123
	-	2,606,826	2,606,826	2,306,347
<b>OTHER GOVERNMENT GRANTS</b>				
Local Authority Grants	-	473,911	473,911	103,287
	-	3,080,737	3,080,737	103,287
<b>OTHER INCOME</b>				
Nursery provision	-	81,969	81,969	21,725
Consultancy	1,280	-	1,280	1,373
	1,280	3,162,706	3,163,986	23,097
<b>Total</b>	<b>1,280</b>	<b>3,162,706</b>	<b>3,163,986</b>	<b>2,432,733</b>

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of Facilities	1,535	-	1,535	1,535
Sundry income	9,542	-	9,542	14,011
	<u>11,077</u>	<u>-</u>	<u>11,077</u>	<u>15,546</u>
<i>Total 2017</i>	<u>15,546</u>	<u>-</u>	<u>15,546</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	97,529	97,529	166,771
Support costs	-	-	-	-	-
Alban Academy:					
Direct costs	1,618,970	-	37,370	1,656,340	1,671,354
Support costs	492,248	66,721	144,968	703,937	577,928
Great Barford Academy:					
Direct costs	594,682	-	19,042	613,724	165,620
Support costs	118,445	31,740	186,048	336,233	77,695
	<u>2,824,345</u>	<u>98,461</u>	<u>484,957</u>	<u>3,407,763</u>	<u>2,659,368</u>
<i>Total 2017</i>	<u>2,160,349</u>	<u>107,806</u>	<u>391,213</u>	<u>2,659,368</u>	

All expenditure relates to the one charitable activity of the academy's educational operations.



**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. CHARITABLE ACTIVITIES**

	2018 £	2017 £
<b>DIRECT COSTS</b>		
Wages and salaries	1,555,088	1,376,881
National insurance	138,981	127,736
Pension cost	257,481	223,375
Redundancy costs	207,788	-
Educational supplies	38,088	40,724
Agency supply costs	54,314	37,211
Staff development	18,324	12,047
	<u>2,270,064</u>	<u>1,817,974</u>
<b>SUPPORT COSTS</b>		
Wages and salaries	248,991	247,975
National insurance	17,763	13,812
Pension costs	141,272	108,052
Redundancy costs	197,774	-
Agency staff costs	4,893	1,110
Depreciation	27,646	16,505
Net interest cost on pension scheme	28,000	19,000
Technology	28,534	28,501
Recruitment and support	11,780	10,081
Maintenance of premises and equipment	37,036	37,844
Primary school conversion costs	46,001	-
Rent and rates	22,678	18,143
Energy costs	39,197	34,631
Cleaning	19,007	7,187
Insurance	16,739	24,782
Security and transport	4,691	6,768
Catering	42,876	19,227
Bank interest and charges	866	649
Other costs	104,426	80,356
Governance - Auditors' remuneration	12,575	13,615
Governance - Auditors' non audit costs	5,030	950
Governance - Legal fees	-	14,095
	<u>1,057,775</u>	<u>703,283</u>
<b>TOTAL DIRECT AND SUPPORT COSTS</b>	<u><u>3,327,839</u></u>	<u><u>2,521,257</u></u>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**8. OTHER EXPENDITURE**

	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Impairment of tangible fixed assets	<b>2,138,400</b>	<b>2,138,400</b>	-

As set out in note 14, the value of the property used by Great Barford Primary Academy during the year has been impaired at the reporting date, recognising a one-off, exceptional cost of £2,138,400.

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>27,646</b>	<b>16,505</b>
Operating lease rentals	<b>6,635</b>	<b>4,375</b>
Fees payable to auditor for audit services	<b>12,575</b>	<b>13,615</b>
Fees payable to auditor for non-audit services	<b>5,030</b>	<b>950</b>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,804,079	1,624,856
Social security costs	156,744	141,548
Operating costs of defined benefit pension schemes	398,753	331,427
	<u>2,359,576</u>	<u>2,097,831</u>
Agency staff costs	59,207	35,735
Staff restructuring costs	405,562	26,783
	<u>2,824,345</u>	<u>2,160,349</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	325,562	6,783
Severance payments	-	20,000
Other restructuring costs	80,000	-
	<u>405,562</u>	<u>26,783</u>

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

There were no payments of non-statutory/non-contractual severance payments in the year (2017 £20,000 was paid to one employee).

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	37	38
Administrative and support	73	74
Management	6	7
	<u>116</u>	<u>119</u>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS (continued)**

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	25	24
Support staff	38	20
Management	6	4
	<u>69</u>	<u>48</u>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1
In the band £120,001 - £130,000	1	0

Five of the above employees participated in the Teachers' Pension Scheme and one employee participated in the Local Government Pension Scheme.

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on Page 1. The total amount of employee benefits (including employer pensions contributions and redundancy costs) received by key management personnel for their services to the Academy Trust was £507,988 (2017 - £328,987).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides 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.

**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no trustees received any remuneration, benefits in kind or reimbursement of expenses (2017 - £NIL).

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**13. OTHER FINANCE INCOME**

	2018 £	2017 £
Interest income on pension scheme assets	25,000	16,000
Interest on pension scheme liabilities	(53,000)	(35,000)
	<u>(28,000)</u>	<u>(19,000)</u>

**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2017	2,160,000	18,749	59,591	26,350	2,264,690
Additions	-	-	9,320	-	9,320
At 31 August 2018	<u>2,160,000</u>	<u>18,749</u>	<u>68,911</u>	<u>26,350</u>	<u>2,274,010</u>
<b>Depreciation</b>					
At 1 September 2017	4,320	14,523	55,876	4,831	79,550
Charge for the year	17,280	1,790	3,306	5,270	27,646
Impairment charge	2,138,400	-	-	-	2,138,400
At 31 August 2018	<u>2,160,000</u>	<u>16,313</u>	<u>59,182</u>	<u>10,101</u>	<u>2,245,596</u>
<b>Net book value</b>					
At 31 August 2018	<u>-</u>	<u>2,436</u>	<u>9,729</u>	<u>16,249</u>	<u>28,414</u>
At 31 August 2017	<u>2,155,680</u>	<u>4,226</u>	<u>3,715</u>	<u>21,519</u>	<u>2,185,140</u>

Land and buildings used by Alban Academy during the year are owned by the St Albans Diocese of the Church of England and used under the terms of a supplemental agreement. In the opinion of the trustees, the terms of the supplemental agreement do not transfer the benefits of ownership to the Multi Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements. Alban Academy also used playing fields leased from the Local Authority under a 125 year lease but no value was recognised in the financial statements.

The land and buildings used by Great Barford Primary Academy during the year are owned by the Local Authority and used by the school under the terms of a 125 year lease. The trustees considered that the risks and rewards of ownership were transferred to the trust and, consequently, the leasehold value was recognised in the financial statements.

In 2017/18, Alban Academy closed and the Local Authority refurbished the Diocesan property, at their own expense, to enable Great Barford Primary Academy to relocate to the Alban Academy site. Great Barford Primary Academy agreed to surrender their lease to the Local Authority, for no consideration, and the value of the property has, therefore, been fully written down at the balance sheet date.

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. STOCKS**

	2018 £	2017 £
Heating oil	5,821	3,860

**16. DEBTORS**

	2018 £	2017 £
Trade debtors	6,705	10,413
VAT recoverable	6,651	22,679
Prepayments and accrued income	35,291	77,640
	<u>48,647</u>	<u>110,732</u>

**17. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	22,222	68,253
Other creditors	-	4,960
Accruals and deferred income	171,572	66,356
	<u>193,794</u>	<u>139,569</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	60,339	33,964
Resources deferred during the year	15,624	60,339
Amounts released from previous years	(60,339)	(33,964)
Deferred income at 31 August 2018	<u>15,624</u>	<u>60,339</u>

Deferred income at the reporting date comprises Universal Infant Free Schools Meals of £15,624 (2017 £15,423) received in advance for the period ended 31 March 2019 (2017 also included receipts in advance of school trips totalling £21,421 and £17,180 for GAG funding for year 5 pupils which was paid in error to Great Barford Primary Academy).

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Alban Academy School Fund	7,943	91,680	(92,411)	(7,212)	-	-
<b>General funds</b>						
General Fund - Alban	82,985	6,320	-	(89,305)	-	-
General Fund - GBPA	12,813	13,328	(5,118)	93,517	-	114,540
	95,798	19,648	(5,118)	4,212	-	114,540
Total Unrestricted funds	103,741	111,328	(97,529)	(3,000)	-	114,540
<b>Restricted funds</b>						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG) - Alban	100,593	1,768,143	(1,795,277)	(73,459)	-	-
General Annual Grant (GAG) - GBPA	-	637,575	(565,536)	69,447	-	141,486
Other DfE/EFA Grants - Alban	-	124,289	(124,289)	-	-	-
Other DfE/EFA Grants - GBPA	-	76,819	(76,819)	-	-	-
Local Authority funding - Alban	-	325,025	(325,025)	-	-	-
Local Authority funding - GBPA	4,686	148,886	(153,572)	-	-	-
Other restricted income	-	81,969	(81,969)	-	-	-
LGPS Pension reserve	(1,072,000)	-	(122,000)	-	210,000	(984,000)
	(966,721)	3,162,706	(3,244,487)	(4,012)	210,000	(842,514)

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Tangible Fixed Assets	2,185,140	-	(2,166,046)	9,320	-	28,414
DfE/EFA Capital Grants - Alban	11,432	11,324	(22,756)	-	-	-
DfE/EFA Capital Grants - GBPA	-	6,038	(6,038)	-	-	-
Capital development fund - GBPA	29,220	-	(26,912)	(2,308)	-	-
	<u>2,225,792</u>	<u>17,362</u>	<u>(2,221,752)</u>	<u>7,012</u>	<u>-</u>	<u>28,414</u>
Total restricted funds	<u>1,259,071</u>	<u>3,180,068</u>	<u>(5,466,239)</u>	<u>3,000</u>	<u>210,000</u>	<u>(814,100)</u>
Total of funds	<u>1,362,812</u>	<u>3,291,396</u>	<u>(5,563,768)</u>	<u>-</u>	<u>210,000</u>	<u>(699,560)</u>

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

All funds remain under the control of the Multi Academy Trust and have been transferred into a single general and restricted fund balance at the reporting date.

**Designated Funds:**

Alban Academy maintained a separate school fund which includes income and expenditure relating to school trips and other fundraising activities.

**General Funds:**

The Academy Trust's general funds represent income and expenditure relating to activities undertaken by the schools as part of their charitable activities. The trust can use these funds for any purpose.

**Restricted Funds:**

The trust received a number of grants during the year for the purpose of providing educational services to its pupils. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

The Academy Trust received Devolved Formula Capital income to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Asset reserve.

Great Barford Primary Academy had capital funds which, together with the Devolved Formula Capital, have been fully utilised in conversion of the Alban Academy property to a primary school.



**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Alban Academy	-	191,521
Great Barford Academy	<b>256,026</b>	<b>17,499</b>
Total before fixed asset fund and pension reserve	<b>256,026</b>	<b>209,020</b>
Restricted fixed asset fund	<b>28,414</b>	<b>2,225,792</b>
Pension reserve	<b>(984,000)</b>	<b>(1,072,000)</b>
Total	<b>(699,560)</b>	<b>1,362,812</b>

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Alban Academy	1,672,212	403,899	26,531	287,705	2,390,347	2,420,528
Great Barford Primary Academy	<b>594,682</b>	<b>175,108</b>	<b>11,557</b>	<b>128,499</b>	<b>909,846</b>	<b>250,995</b>
	<b>2,266,894</b>	<b>579,007</b>	<b>38,088</b>	<b>416,204</b>	<b>3,300,193</b>	<b>2,671,523</b>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>Designated funds</b>						
Alban Academy School Fund	7,390	167,324	(166,771)	-	-	7,943
<b>General funds</b>						
General Fund - Alban Academy	66,469	16,516	-	-	-	82,985
General Fund - Great Barford Primary Academy	-	17,240	-	(4,427)	-	12,813
Total Unrestricted funds	73,859	201,080	(166,771)	(4,427)	-	103,741
<b>Restricted funds</b>						
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Annual Grant (GAG)	43,711	2,154,225	(2,101,770)	4,427	-	100,593
Other DfE/ESFA Grants	-	145,123	(145,123)	-	-	-
Local Authority funding	-	116,473	(111,787)	-	-	4,686
Restricted donations	-	57,641	(35,041)	(22,600)	-	-
LGPS Pension reserve	(722,000)	(532,000)	(92,000)	-	274,000	(1,072,000)
	(678,289)	1,941,462	(2,485,721)	(18,173)	274,000	(966,721)

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Tangible Fixed Assets	12,098	2,160,000	(16,505)	29,547	-	2,185,140
DfE/ESFA Capital Grants	16,617	23,778	(16,031)	(12,932)	-	11,432
Other donations	-	3,000	(3,000)	-	-	-
Capital development fund	-	23,235	-	5,985	-	29,220
	<u>28,715</u>	<u>2,210,013</u>	<u>(35,536)</u>	<u>22,600</u>	<u>-</u>	<u>2,225,792</u>
Total restricted funds	<u>(649,574)</u>	<u>4,151,475</u>	<u>(2,521,257)</u>	<u>4,427</u>	<u>274,000</u>	<u>1,259,071</u>
Total of funds	<u>(575,715)</u>	<u>4,352,555</u>	<u>(2,688,028)</u>	<u>-</u>	<u>274,000</u>	<u>1,362,812</u>

**19. CENTRAL SERVICES**

No central services were provided by the Multi Academy Trust to its academies during the year and no central charges arose.

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	28,414	28,414
Current assets	114,540	335,280	-	449,820
Creditors due within one year	-	(193,794)	-	(193,794)
Provisions for liabilities and charges	-	(984,000)	-	(984,000)
	<u>114,540</u>	<u>(842,514)</u>	<u>28,414</u>	<u>(699,560)</u>

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	2,185,140	2,185,140
Current assets	103,741	244,848	40,652	389,241
Creditors due within one year	-	(139,569)	-	(139,569)
Provisions for liabilities and charges	-	(1,072,000)	-	(1,072,000)
	<u>103,741</u>	<u>(966,721)</u>	<u>2,225,792</u>	<u>1,362,812</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,272,372)	1,664,527
<b>Adjustment for:</b>		
Depreciation charges	27,646	16,505
Dividends, interest and rents from investments	(1,535)	(1,535)
Profit on the sale of fixed assets	-	(3,750)
Increase in stocks	(1,961)	(615)
Decrease/(increase) in debtors	62,085	(28,803)
Increase in creditors	54,225	41,910
Defined benefit pension scheme obligation inherited	-	532,000
Defined benefit pension scheme finance cost	122,000	92,000
Assets transferred from local authority on conversion	-	(2,160,000)
Impairment of tangible fixed assets	2,138,400	-
<b>Net cash provided by operating activities</b>	<u>128,488</u>	<u>152,239</u>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	395,352	274,649
<b>Total</b>	<u>395,352</u>	<u>274,649</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**23. PENSION COMMITMENTS**

The Multi Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £254,065 (2017 - £172,632).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £163,000 (2017 - £113,000), of which employer's contributions totalled £130,000 (2017 - £88,000) and employees' contributions totalled £33,000 (2017 - £25,000). The agreed contribution rates for future years are 26.1% for employers and a variable rate% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.2	26.2

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate -0.1%	55,600	51,800
Salary rate +0.1%	6,800	7,200
Pension rate +0.1%	48,400	44,000

**UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

The actuarial assessment is that a one year increase in life expectancy would increase the employer's defined benefit obligation by around 3-5%.

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	<b>655,000</b>	532,000
Bonds	<b>158,000</b>	140,000
Property	<b>102,000</b>	84,000
Cash	<b>215,000</b>	177,000
Total market value of assets	<b>1,130,000</b>	933,000

The actual return on scheme assets was £25,000 (2017 - £16,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	<b>(224,000)</b>	(161,000)
Interest income	<b>25,000</b>	16,000
Interest cost	<b>(53,000)</b>	(35,000)
Total	<b>(252,000)</b>	(180,000)

Movements in the present value of the defined benefit obligation were as follows:

	<b>2018 £</b>	<b>2017 £</b>
Opening defined benefit obligation	<b>2,005,000</b>	1,500,000
Transferred in on existing academies joining the trust	-	532,000
Current service cost	<b>224,000</b>	161,000
Interest cost	<b>53,000</b>	35,000
Employee contributions	<b>33,000</b>	25,000
Actuarial gains	<b>(183,000)</b>	(238,000)
Benefits paid	<b>(18,000)</b>	(10,000)
Closing defined benefit obligation	<b>2,114,000</b>	2,005,000

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**23. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Multi Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	933,000	778,000
Interest income	25,000	16,000
Actuarial losses	27,000	36,000
Employer contributions	130,000	88,000
Employee contributions	33,000	25,000
Benefits paid	(18,000)	(10,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,130,000	933,000
	<hr/>	<hr/>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	6,635	4,375
Between 1 and 5 years	3,390	4,375
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Total	10,025	8,750
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**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

**26. 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.