

Registered number: 08526973

**St Chad's Academies Trust**

Trustees' report and financial statements

for the year ended 31 August 2019



**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Contents**

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	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 14
<b>Governance statement</b>	15 - 18
<b>Statement on regularity, propriety and compliance</b>	19
<b>Statement of Trustees' responsibilities</b>	20
<b>Independent auditor's report on the financial statements</b>	21 - 23
<b>Independent reporting accountant's report on regularity</b>	24 - 25
<b>Statement of financial activities incorporating income and expenditure account</b>	26
<b>Balance sheet</b>	27
<b>Statement of cash flows</b>	28
<b>Notes to the financial statements</b>	29 - 60

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Reference and administrative details**

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<b>Members</b>	S Hannam The Venerable M Parker Dr A Primrose M Revel C Shaw
<b>Designated Members</b>	Prof R J Anderson J M Jones Rev A Morris Dr A Primrose, Chair of Trustees C Randles Prof M Shaw S Wedgwood, Chief Executive and Accounting Officer Rev R Heath (appointed 19 September 2018) J Jackson (appointed 14 December 2018)
<b>Company registered number</b>	08526973
<b>Company name</b>	St Chad's Academies Trust
<b>Principal and registered office</b>	St. Marys House The Close Lichfield Staffordshire WS13 7LD
<b>Company secretary</b>	H Steel
<b>Chief executive and Accounting Officer</b>	S Wedgwood
<b>Senior management team</b>	S Wedgwood, Chief Executive Officer J Austin, Head of School Performance H Steel, Head of Operations
<b>Independent auditor</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank Plc 22 Conduit Street Lichfield Staffordshire WS13 6JS
<b>Solicitors</b>	Geldards LLP Number One Pride Place Pride Park Derby DE24 8QR

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 August 2019**

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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 year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

St Chad's Academies Trust is a Multi Academy Trust serving the Diocese of Lichfield. Geographically, the Diocese covers the 7 local authorities of Walsall, Wolverhampton, Sandwell, Shropshire, Stoke, Staffordshire and Telford and Wrekin. The Trust comprised of 16 Primary academies to 31 August 2019.

**Structure, governance and management**

**a. Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Chad's Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Chad's Academies Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 Trust has purchased insurance to protect trustees, directors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The limit of this indemnity is £5m for trustees' liabilities and £2m for libel and slander.

**d. Method of recruitment and appointment or election of Trustees**

The Articles of Association requires that the Members of the Company shall comprise of;

- a. The signatories of the Memorandum, who shall be;
  - i. The Diocesan Board of Education acting corporately by hand of its Director; and
  - ii. Two individual members of the Diocesan Board of Education nominated by it for the purpose;
- b. The chairman of the Directors; and
- c. And person appointed under Article 16.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time, by written notice delivered to the Office, remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise. If any of the persons entitled to appoint Members in Article 12:

- a. In the case of an individual, die or become legally incapacitated;
- b. In the case of a corporate entity, cease to exist and are not replaced by a successor institution; or
- c. Becomes insolvent or makes any arrangement or composition with their creditors generally, their right to appoint Members under these Articles shall vest in the remaining Members.

**Structure, governance and management (continued)**

Membership will automatically terminate if:

- a. A Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- b. A Member (who is an individual) dies or becomes incapable by reason of illness or injury of managing and administering his or her own affairs; or
- c. A Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

The Members with the written consent of the Diocesan Board of Education may agree by passing a Special Resolution in writing to appoint such additional Members as they think fit and may agree by passing a Special Resolution in writing to remove any such additional Members provided that such appointment or removal is in the interests of the Company.

Every person nominated to be a Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Company of a notice in writing signed by the person or persons entitled to remove him under Articles 10 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

Subject to Articles 48-49, the Company shall have no fewer than 5 Directors, appointed under Article 50. The number of Directors shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

**e. Policies adopted for the induction and training of Trustees**

Induction for new Trustees is tailored according to their experience and background. Trustees are provided with information about the Multi Academy Trust by the Clerk to Trustees. New Trustees requiring guidance on the roles of Trustees are provided with training and guidance through internal meetings and discussion with staff and other Trustees.

Trustees have approved a Trustee induction policy and procedure for new trustees including;

- 1) Trustee induction pack
- 2) CC3 – the Charities Commission Essential Guide for Trustees
- 3) Code of Practice including reference to the Nolan Principles
- 4) The Governance Jigsaw
- 5) Trust's Scheme of Delegation, Financial Regulations and Governance Handbook
- 6) The Governance Structure and Accountability Framework for the Trust

New Trustees receive bespoke induction sessions with the CEO and the Chair of the Board of Trustees.

**f. Organisational structure**

The Trust is a multi-academy trust and at 31st August 2019 ran 16 academies as follows;

- Birchills Church of England Community Academy, Walsall (sponsored)
- Havergal Church of England Primary Academy Shareshill, Staffordshire (sponsored)
- St Matthew's Church of England Primary Academy, Stoke (converter)
- St John's Church of England Primary Academy, Wednesbury (sponsored)

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

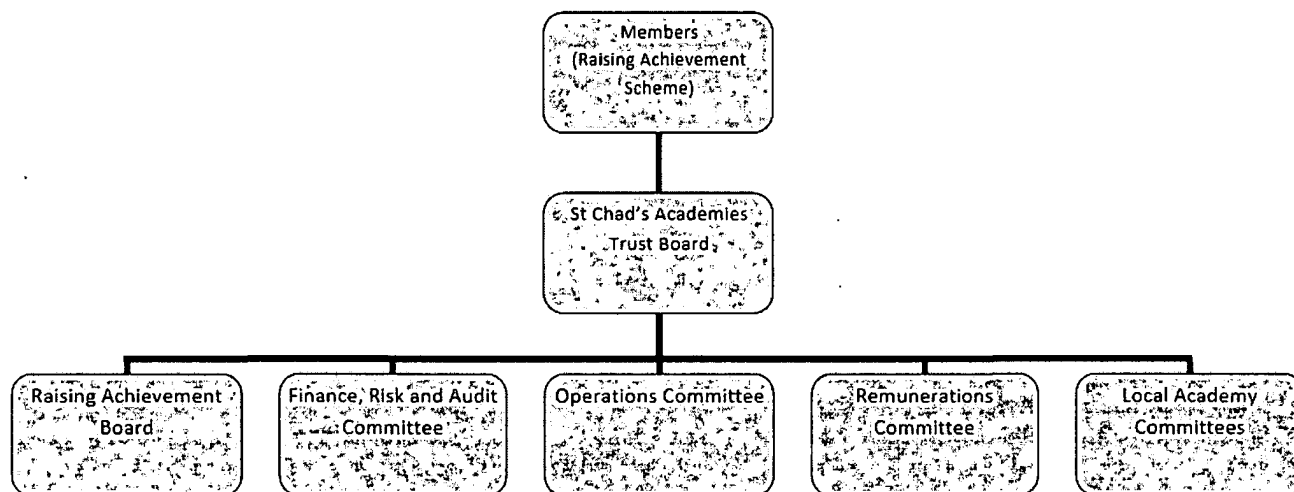
**Structure, governance and management (continued)**

- All Saints National Academy, Walsall (sponsored)
- St Peter's Church of England Primary Academy, Staffordshire (converter)
- St John's Church of England Primary Academy, Stafford (converter)
- St James Church of England Primary Academy, Longdon, Staffordshire (converter)
- Bishop Lonsdale Church of England Primary Academy, Eccleshall, Staffordshire (converter)
- Churchfield Church of England Primary Academy, Rugeley, Staffordshire (converter)
- Holy Trinity Church of England Primary Academy, Oswestry (converter)
- St Jude's Church of England Primary Academy, Wolverhampton (sponsored)
- Dawley Church of England Primary Academy, Telford (sponsored)
- Stoke Minster Church of England Primary Academy, Stoke (converter)
- Christ Church Church of England Primary Academy, Stoke (converter)
- Trinity Church of England Primary Academy, Wolverhampton (converter)

The aim is to expand the number of academies in the Trust to allow the academies to work collaboratively, sharing resources to improve efficiencies and pool expertise, as well as enable peer to peer support and challenge. At year end the Trust had a number of schools in the project management phase working in collaboration with the Trust and its academies; these schools will increase the number of academies to 19 upon conversion. Academies and converting schools are working together in collaboration and have been formed in to four local Communities of Practice (CoPs), geographically grouped to provide development in leadership, phase and subject specialists, school to school support models and local economy of scale procurement opportunities.

St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meets regularly and provides strategic leadership and vision to the academies. The Trust provides support and challenge to the academies via three sub-committees; the Raising Achievement Board, committee which monitors all aspects of school management and school improvement; the Finance, Risk and Audit Committee, a sub-committee which provides robust risk management and financial oversight and strengthens the independence of the audit function; and the Operations Committee, a sub-committee which reviews and develops strategies, management processes and procedures. The Board operates a Remunerations Committee, made up of three Board members, to accept and review recommendations on leadership pay for ratification by the Board of Directors. The Board appoints a Local Academy Committee to be an advisory body for each academy. The members of the Local Academy Committee are referred to as Committee Members to distinguish them from the Directors of the Trust.

The organisational structure is illustrated below:



**Structure, governance and management (continued)**

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

Performance Management of Principals is managed by the Raising Achievement Board and subsequent pay awards which are considered are in line with School Teachers Pay and Conditions and the scope of individual leadership bands upon successful achievement of performance targets. The Raising Achievement Board make evidence based recommendations to the Remunerations Committee (made up of 3 Trustees) for robust review and challenge where appropriate.

Performance Management of executive leaders and central staff is undertaken by line managers via a robust target based process which is evidenced by a Professional Development Portfolio. Decisions on executive and central staff pay are made upon receipt of evidence based recommendations by the Remunerations Committee.

Remuneration for staff employed at academies within St Chad's Academies Trust follows the national terms and conditions of service for teachers or the terms and conditions of service for support staff. Targets and pay are approved by the Board of Trustees.

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	2
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	16,536,300
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**Structure, governance and management (continued)**

**i. Related parties and other connected charities and organisations**

The Trustees of St Chad's Academies Trust receive no remuneration for their activities as Trustees other than the CEO who is employed by the Academy Trust

St Chad's Academies Trust is connected to the Church of England Central Education Trust (CECET) as explained above. There is a connection to the Lichfield Diocesan Board of Education, which has strategic responsibility for Church of England schools within the Diocese of Lichfield and is the majority member of CECET. The Trust declares all related party transactions to ESFA via the appropriate reporting/approval methods.

**Objectives and activities**

**a. Objects and aims**

The principal activities of St Chad's Academies Trust are to provide an inclusive, balanced and broadly based curriculum and education in line with the principles of the Church of England for children and young people of all abilities. The Trust provides free education for young people (currently 4-11) who live mainly within the Diocese of Lichfield.

The Company's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

**b. Objectives, strategies and activities**

The Trust's educational vision is founded upon its commitment to promoting a distinctively Christian approach to education alongside a rigorous and systematic approach to sustained and continual improvement of the outcomes for children and young people. The Trust has procured a bespoke Christian Distinctiveness Adviser, whose role is to support the continuance of the Christian distinctiveness of the academy and to provide a whole-school approach to monitoring progress.

The overarching principles of St Chad's Academies Trust are that:-

- All academies can improve to become good and outstanding.
- All pupils have the right to the best education that can be provided so that standards continually rise resulting in all children and young people achieving their best.
- All children and young people in our care have an entitlement to spiritual care and guidance. By continuing and developing the historical role of the church in education the Trust champions the ethos and values enabling children and young people clearly to identify themselves as children of God.
- All staff and academy committee members should have access to support for their spiritual welfare.
- All staff should have access to a well-planned and strong career progression route. This professional development will be tailored to meet the needs of the academy and the individual teacher, resulting in a professional body of the highest quality.



**Objectives and activities (continued)**

- Presence, partnership and participation of academies and their leaders will bring about significant improvement and help to develop system leaders of the future.

The Trust's strategy is to drive academy improvement, encouraging academies to support other individual academies, or groups of academies, within a family network. This strategy embraces senior leaders, academy committee members and teachers. The Trust is committed to high quality continuous professional development for staff, and to ensuring that leaders and staff can become key agents of change. The Trust's aim is to establish vibrant learning communities, where all children and young people are able to achieve their God-given potential; 'Children First'.

The Raising Achievement Board provides challenge and support to academies on a termly basis. Each academy has an assigned Diocesan Improvement Adviser, whose role is to add capacity to the leadership team in an academy and also to provide on-going advice, support and challenge to Principals. Each academy is also assigned a Financial Accounting Officer to provide financial management challenge and support. The Trust provides a dedicated HR Officer assigned to support all staffing and employment related issues. Governance support is provided to all academy Local Academy Committees' via the Trust's Governance Officer.

**c. Public benefit**

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St Chad's Academies Trust is the maintenance and development of a high quality education, which is free of charge. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the areas in which the Trust operates.

In doing this, St Chad's Academies Trust not only offers a broadly based academic education but aims to educate the whole individual and to encourage their spiritual development. A wide-range of extra-curricular activities and educational trips and visits are offered to students.

St Chad's Academies Trust  
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Trustees' report (continued)  
for the year ended 31 August 2019

Strategic report

Achievements and performance

a. Key performance indicators

2019 EYFS/Phonics/KS1 outcomes

Academy	YR Good Level of Development 72% NA 2018 in brackets	Year 1 Phonics Pass 82% NA 2018 in brackets	Year 2 Reading Expected Standard+ 75% NA 2018 in brackets	Year 2 Reading Greater Depth 25% NA 2018 in brackets	Year 2 Writing Expected Standard+ 69% NA 2018 in brackets	Year 2 Writing Greater Depth 16% NA 2018 in brackets	Year 2 Maths Expected Standard+ 76% NA 2018 in brackets	Year 2 Maths Greater Depth 22% NA 2018 in brackets	TO DEEP MONITOR 2019/20
All Saints	54% (63)	78% (73)	72% (75)	9% (0)	54% (23)	7% (0)	72% (71)	9% (14)	EYFS/GD WRITING
Birchills	64% (62)	88% (78)	66% (57)	26% (20)	53% (47)	15% (17)	69% (55)	14% (0)	MATHS/GD READING/EYFS/WRITING
Bishop Lonsdale	62% (75)	85% (84)	76% (85)	31% (27)	69% (77)	21% (23)	79% (73)	24% (27)	GLD
Churchfield KS2	67% (76)	84% 81	71% (73)	18% (13)	65% (70)	11% (10)	71% (73)	11% (17)	EYFS/GD
Christ Church NEW	52%	75%	60%	0%	63%	3%	63%	3%	EYFS GD/MATHS/READING
Dawley	71% (72)	83% (82)	69% (57)	15% (7)	65% (53)	8% (3)	73% (70)	12% (7)	GD
Havergal	82% (75)	75% (95)	92% (81)	31% (35)	92% (77)	15% (15)	85% (85)	23% (27)	GD MATHS
Holy Trinity	66% (57)	73% (58)	67% (59)	18% (15)	64% (58)	9% (7)	64% (56)	18% (11)	EYFS/WRITING EXS & GD/MATHS
St James Small school	67% (82)	90% (100)	88% (92)	31% (33)	81% (92)	25% (25)	88% (92)	25% (25)	EYFS
St Jude's	76% (75)	83% (81)	78% (76)	26% (25)	74% (75)	17% (16)	76% (76)	19% (20)	GD MATHS
St Matthew's	82% (73)	75% (82)	92% (73)	31% (33)	92% (80)	15% (13)	85% (80)	23% (20)	GD MATHS
St John's W	73% (73)	83% (77)	69% (85)	17% (29)	69% (71)	10% (23)	72% (85)	17% (26)	GD READING/MA
St John's St	70% (73)	69% (81)	79% (78)	15% (25)	74% (82)	6% (22)	87% (82)	15% (22)	GD Phonics
St Peter's	89% (87)	85% (87)	77% (79)	20% (25)	73% (79)	20% (25)	80% (82)	23% (21)	GD/MATHS / READING
Stoke Minster	52% (65)	79% (55)	43% (53)	9% (16)	37% (46)	4% (7)	41 (46)	6% (12)	ALL
Trinity NEW	66%	49%	72%	30%	68%	21%	81%	19%	EYFS/PHONICS/GD MATHS
PROVISIONAL MAT AVERAGES	2019: 69%	2019: 78%	2019: 73% 2018: 73%	2019: 21% 2018: 22%	2019: 67% 2018: 66%	2019: 13% 2018: 15%	2019: 74% 2018: 73%	2019: 18% 2018: 18%	
New									
St Mary's	79%	65%	79%	26%	64%	11%	79%	21%	
Mereside	76%	78%	75%	30%	75%	25%	83%	28%	

2019 Year 6 outcomes

St Chad's Academies Trust  
(A company limited by guarantee)

Trustees' report (continued)  
for the year ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

**% Year 6 pupils reaching Expected Standard and Greater Depth in Reading, Writing and Maths & RWM Combined**

Academy/ number of Y6 pupils	FOCUS AREAS FOR INDIVIDUAL ACADEMIES	Reading 2018/19		Writing 2018/19		Mathematics 2018/19		GPS 2018/19		Combined 2018/19	Combined 2018/19
		Expected	GDepth	Expected	GDepth	Expected	GDepth	Expected	GDepth	Expected	GDepth
		NA 73%	27%	NA 78%	20%	NA 79%	27%	NA 78%	36%	NA 65%	NA 11%
All Saints 45 pupils SPECIAL MEASURES	EXS/GD ALL SUBJECTS	38%	9%	42%	0%	60%	18%	56%	18%	27%	0
Birchills 45 OFSTED GOOD	EXS/GD R & W & M	62%	14%	63%	2%	57%	21%	74%	39%	51%	2%
Bishop Lonsdale 41 OFSTED GOOD	EXS ALL SUBJECTS GD MATHS/GPS	61%	32%	66%	32%	61%	17%	68%	29%	56%	10%
Churchfield 30 *	EXS/GD ALL SUBJECTS	33%	7%	67%	7%	50%	7%	57%	20%	30%	0
Christ Church 29	EXS/GD ALL SUBJECTS	62%	10%	72%	17%	62%	14%	69%	17%	52%	3%
Dawley 26 OFSTED RI	GREATER DEPTH/EXS W; M	73%	42%	73%	0%	73%	23%	80%	19%	58%	0
Havergal 19 OFSTED GOOD	GD READING	84%	21%	89%	26%	100%	52%	100%	58%	79%	11%
Holy Trinity 39	GD R & W	79%	23%	77%	18%	85%	26%	77%	33%	77%	8%
St James 11 OFSTED GOOD	GD GPS	100%	36%	73%	18%*	91%	27%	73% *	18%	73%	18%
St John's {Staff} 59 OFSTED GOOD	GD	71%	22%	85%	12%	78%	19%	76%	19%	64%	5%
St John's {Wed} 30 OFSTED GOOD	EXS W & M / GD	73%	23%	70%	17%	70%	17%	80%	23%	63%	7%
St Peter's 28 OFSTED GOOD	EXS R & W & M / GD	71%	11%	68%	0%	71%	18%	79%	21%	64%	0
St Jude's 61 GOOD	GD GPS	74%	33%	79%	23%	79%	26%	79%	28%	62%	15%
St Matthew's 17 OFSTED GOOD	MAINTAIN	94%	47%	88%	29%	88%	65%	94%	64%	88%	29%
Stoke Minster 56	EXS R & W & M GD ALL AREAS	54%	16%	70%	18%	46%	9%	68%	25%	39%	4%
Trinity 62	GD R & W & M	74%	19%	84%	16%	85%	24%	77%	42%	68%	10%
Overall MAT Average		73%	25%	73%	15%	73%	24%	76%	32%	60%	8%
Nat/Ave 'v' MAT Ave		=	-2%	-5%	-5%	-6%	-3%	-2%	-4%	-5%	-3%

**St Chad's Academies Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

The ratio of partner schools to sponsored schools in St Chad's Academies Trust has continued to increase (10 partner converter academies to 6 sponsored). However, 4 of the 6 sponsored academies have been inspected and judged to be Good with Outstanding features and are all capacity givers; Birchills Church of England Community Academy in Walsall, St Jude's Church of England Primary Academy, Havergal Church of England Primary Academy in Shareshill, and St John's Church of England Primary Academy in Wednesbury.

The Trust is currently supporting 13 of its Principals in completing the NPQEL qualification to provide additional leadership capacity in vulnerable schools.

**Key Performance Indicators**

KPIs for all academies within the St Chad's Academies Trust:

1. Quality of Teaching to be consistently good or better
2. To be judged at least Good at the first Ofsted inspection following conversion
3. To be judged at least Good at the first SIAMS inspection following conversion
4. Outcomes for pupils at KS1 and KS2 to be in line or above national in reading, writing and mathematics
5. Progress for pupils at KS1 and KS2 to be in line or above national in reading, writing and mathematics
6. Governance to be judged as effective
7. Attendance to be in line with national
8. All academies are compliant with safeguarding legislation

KPI's are integrated into Principal's performance management targets determined by the Raising Achievement Board (Autumn Term).

**b. Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial review**

**a. Overview**

The majority of the Trust's income is received from the Department for Education via the Education Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objects of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown in the restricted funds in the Statement of Financial Activity.

The Trustees agreed the following key financial performance indicators for 2018-19:-

- Robust financial monitoring; the Trustees monitor the financial position regularly by reviewing financial year-end projections which are supported by management accounts and budget monitoring.
- Achieving value for money through effective financial management procedures and procurement initiatives;
- Academies and the Trust comply with the Trust's Financial Regulations and the ESFA AFH.
- Monitor and maintain a positive cash flow with sufficient cash balances to cover monthly expenditure.
- Review of income and expenditure with particular emphasis on pay costs as a percentage of ESFA income.
- Production of 5 year forecasts for all academies.
- Local Academy Committee monitoring of monthly Management Accounts

**Strategic report (continued)**

**Financial review (continued)**

**b. Reserves policy**

The Trustees review the reserve levels annually. This review details the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held to provide sufficient working capital to cover delays between spending and the receipt of grants and to allow for unexpected situations such as urgent maintenance work or in extreme circumstances to bridge areas of lagged funding. Reserves are planned and built up in line with identified capital improvements/developments which are scheduled to occur within the 5 year financial plans, ensuring a strategic approach and a practical application of reserves in future years to maintain and improve the academy learning environments. Under normal situations the Trustees would aim to maintain reserves of between 5%-10% of GAG as an appropriate cushion. The Finance, Risk and Audit Committee support the process and ensure that plans are provided for any potential spend of reserves for approval.

**c. Investment policy**

St Chad's Academies Trust has no realisable investments; all cash is held for operational activities. With respect to cash holdings, the Board of Trustees has adopted a low risk strategy. The Academy Trust maintains a current account with its bankers. The Trustees will review the Trust's investments for forthcoming financial years to ensure maximum efficiency for cash balances and the application of School Condition Allocation.

**d. Principal risks and uncertainties**

The principal risks to the Trust are financial and result from a projected deficit on the Local Government Pension Scheme. In addition, the unknown future of school funding due to the unknown factors such as the impact of Brexit which may have a negative effect on areas such as funding, staffing and number on roll. There are also the usual risks in respect of fraud, reputational damage and failure to deliver school improvement, but controls and systems are in place to mitigate all manageable risks.

Under Financial Reporting Standard 102 it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds. However this does not present any current liquidity problem.

**Risk Management**

The Trust has undertaken a comprehensive assessment of possible risks to the Trust. The potential risks that have been identified are being included in the Trust's Risk Register. The areas covered will include Spirituality, Strategic, Compliance, Regulatory, Standards, Operational, Financial, Safeguarding, Health and Safety, Governance, Reputation, Staffing and ICT. The Risk Register is a standing item on Risk and Audit Committee meeting agendas to ensure regular review.

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

The principal risks currently identified are outlined below.

Potential Risk	Mitigating controls
Strategic -- delays in the growth of the Trust and staff capacity.	The aim is to grow the Trust on a managed growth basis, in line with its developing capacity. Regular contact with DfE is in place.
Brexit; impact on staffing, number on roll and government funding.	Proactive approach to identification of affected staff; monitoring of Government advice, guidance and required changes in employment procedures. Monitoring possible impact on number on roll. Monitoring Government announcements on funding.
Standards – failure to ensure all Ofsted Inspections judge academies to be Good or better.	Robust performance management targets are set to ensure leadership is focused on results. Monitoring and review processes maintain a clear understanding of performance and drive school improvement plans. Academies are supported by dedicated, appropriately experienced central staff. Monitoring of staff Health and Wellbeing.
Operational – Failure to attract and retain key staff. Failure to establish succession planning for academies and the Trust.	Succession strategies are in place and will be developed further for key members of the Trust's senior leadership team and academy Principals. School to school support provides opportunities for staff development at all levels and a focus on growing leaders is a key focus. The Trust can access expertise in the Diocese of Lichfield's 207 schools and academies. It has close links with consultants and associates that can provide additional resource if necessary.
Compliance – Failure to ensure safeguarding and health and safety procedures are robust enough to assure that all reasonable action is taken to protect our pupils and staff.	Relevant training has been completed; policies and procedures have been updated and will be reviewed every 12 months. Training will be updated in line with current guidance. Commissioned services have been secured to provide termly Designated Safeguarding Lead updates going forward.  A Principal has been accredited as a safeguarding trainer and lead through the NSPCC and is conducting safeguarding reviews across the Trust.
Compliance – buildings do not meet Health and Safety requirements or become unfit for purpose	Commissioned support of a single Trust appointed estates partner to provide regular audits of buildings. Establishment of Estates Group to monitor compliance.
Financial – Pension Fund changes and deficits become a major drain on Trust resources. Unknown future of funding in the education sector.	The Trust carries out regular reviews, in line with regulatory requirements, and accesses regular advice from its consultants and auditors in order to proactively manage risks.
Financial – Budget constraints	Financial planning and monitoring systems are in place to provide robust financial testing and planning for the future. Updates are sought in relation to funding whenever possible.

**Strategic report (continued)**

**Financial review (continued)**

**e. Financial and risk management objectives and policies**

Financial operations are supported and monitored monthly by the Trust via monthly on site visits and management account production and review. Individual academy management accounts are presented to Local Academy Committees regularly and consolidated management accounts are presented to the Board six times a year and to the Chair of the Board on a monthly basis.

All academies have received and work to the Trust's Governance Handbook, Financial Regulations and Scheme of Delegation, which are updated annually in line with the most recent regulatory documents; i.e. the ESFA AFH.

All financial operating offices receive termly visits from the Trust's appointed Internal Auditors. Termly reports are analysed by the Finance, Risk and Audit Committee and are reported to Principals and Chairs of the Local Academy Committee to be shared at with full LAC. Progress is measured and recorded.

Half termly forums for Principals and termly forums for Academy Business Managers operate to reinforce effective financial control and risk management. The Raising Achievement Board quality assures these controls each term.

During the year the Trust secured Fraud Awareness Training via the Lloyds Anti-Fraud Team for all Principals, Heads of School, Academy Business Managers and central staff to ensure the risks of fraud are prevalent and are considered by all relevant staff members, and that mitigating action is taken to review systems and procedures within financial operations. The Trust has developed robust procedures to mitigate third party fraud and has tailored the Financial Management System to ensure that appropriate segregation of duty in in place and validation is undertaken.

**Fundraising**

The Trust does not currently operate a high level of fundraising activities. Fundraising across the academies within the Trust is usually generated via non-uniform, costume or charity bake sale days where schools request a donation from parents or carers. Parents are made aware of the beneficiary of their donations in advance of any event which may be to support a local or national charity of the students' choice or to financially support a specified event being organised by the school or students. Contributions are not compulsory.

Some academies have made bids to local and/or national charitable trusts through specifically targeted bids. Those who have been successful have benefitted support a range of resource provision.

**Plans for future periods**

As a Multi Academy Trust, St Chad's Academies Trust aims to increase the number of academies within the Trust through a managed growth plan.

At year end there were three schools in the project management phase of academy conversion. Two schools are converter schools in Staffordshire, one school is a converter school in Shropshire. It is expected that these schools will convert in October 2019. Another school in Stoke is in the process of making an application to join the Trust and we expect this academy to join in summer term 2020 should the application be approved. Other conversations are ongoing with schools investigating academisation options in the Diocese.

Further work is taking place to develop school improvement strategies, operational support and procedures and to enhance the corporate governance and strategic capacity of the Trust.

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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**Funds held as custodian on behalf of others**

The Trust holds no funds on behalf of others as a custodian trustee.

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Multi Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

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

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

**Disclosure of information to auditor**

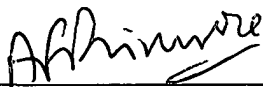
Insofar as the Trustees are aware:

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

**Auditor**

The auditor, Dains LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:



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**Dr A Primrose**  
Chair of Trustees



## **Governance Statement**

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### **Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that St Chad's Academies 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 Chief Executive, 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 St Chad's Academies 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 6 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
Prof R J Anderson	6	6
J M Jones	5	6
Rev A Morris	4	6
Dr A Primrose, Chair of Trustees	6	6
C Randles	6	6
Prof M Shaw	0	6
S Wedgwood, Chief Executive and Accounting Officer	6	6
Rev R Heath (appointed 19 September 2018)	2	6
J Jackson (appointed 14 December 2018)	4	5

During the 2017/18 year, the Board approved the following Committees to work alongside the Raising Achievement Board;

- 1) Finance, Risk and Audit Committee
- 2) Operations Committee
- 3) Remunerations Committee
- 4) Local Academy Committees (x 16)

The Committees have established terms of reference and were fully operational during the 2018/19 year. The Operations Committee met three during the 2018/19 year; the Finance, Risk and Audit Committee met three times during the 2018/19 year; the Remunerations Committee met twice during the 2018/19 year. Local Academy Committees meet half termly (6 times) during the year.

The next strategy day for the Trust Board is scheduled for December 2019.

The Finance, Risk and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- (i) To facilitate good communication between the Academy Trust and its external and internal auditors;
- (ii) To increase the credibility and objectivity of financial reporting;
- (iii) To strengthen the independence of the audit function;
- (iv) To improve the quality of the accounting and auditing functions;
- (v) To test the robustness of the Academy Trust's management of risk; and
- (vi) To scrutinise financial control and budget management of the Trust.

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Anderson (Chair)	2	3
J Jackson	1	2
S Wedgwood	3	3
M Lowe	0	1
A Primrose (Chair in BA absence)	1	1

**Review of value for money**

As accounting officer, the Chief Executive 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:

- Executive Principal leadership models.
- Joint procurement ventures. Procurement partners ESPO have been introduced to the academies to help review current procurement practices and establish joint procurement opportunities throughout the Trust.
- Ongoing contract reviews for centrally managed services including re-evaluation of the HR/payroll/recruitment/advertising.
- Establishing system leadership models utilising staff from within the Trust and utilising the expertise within the Trust to help academies in need of additional support and capacity.
- Utilising the support of local academy chairs across the Trust to support with committees where impartiality was key.
- Developed the role of Diocesan Improvement Adviser to serving Principals and Headteachers within the Trust and Diocese.
- Established Trust wide FMS and online banking systems to provide efficiencies in economies of scale in relation to system cost and access to Trust wide P&L to enable identification of large areas of spend.
- Begun investigations in to HRMS systems with the view to establish a self-managed system in the 2018/19 year; this will reduce the need for external SLA based support and therefore reduce costs.
- Begun investigations within Communities of Practice to look at local level procurement opportunities.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 St Chad's Academies Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Governance Statement (continued)**

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**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 2018 to 31 August 2019 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 CEO has undertaken appropriate training specifically in relation to Risk Management and how to effectively control and monitor risk. The Raising Achievement Board, Remunerations Committee, Finance Risk and Audit Committee and Operations Committees provide additional layers of risk management and mitigation, and provide appropriate challenge and support to the CEO in relation to elements of risk.

**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 which is agreed by the Board of Trustees and monthly financial reports which are reviewed by the Trustees six times a year and the Chair of the Board on a monthly basis;
- regular reviews by the Local Academy Committee and the Trust's Operational Support team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties via the Trust's Financial Regulations and Scheme of Delegation
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Academy Advisory Limited as internal auditor.

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

- financial health and reporting
- purchasing and procurement
- testing of payroll and HR systems
- income and debtors
- card, cash and banking
- journals
- contract testing
- business interests

On a termly basis, the internal auditor reports to the board of Trustees through the Head of Operations on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and provided details of any issues as a result of the internal audit processes. No significant control issues were found during the course of the year; any issues highlighted were acted upon promptly.

To ensure compliance with Safeguarding Regulations, the Trust provides training and regular updates to trustees, all relevant staff, local academy committee members and children. Safeguarding checks are performed as part of our annual review processes.

**Governance Statement (continued)**

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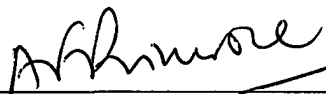
**Review of effectiveness**

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

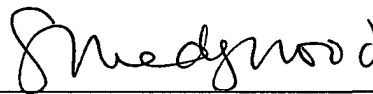
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Head of Operations 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 18 December 2019 and signed on their behalf by:



**Dr A F Primrose**  
Chair of Trustees



**S Wedgwood**  
Chief Executive and Accounting Officer

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

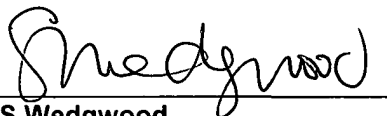
**Statement on Regularity, Propriety and Compliance**

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As accounting officer of St Chad's Academies Trust I have considered my responsibility to notify the Multi 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 Multi Academy Trust, under the funding agreement in place between the Multi 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 2018.

I confirm that I and the Multi Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.



**S Wedgwood**  
Chief Executive and Accounting Officer  
Date: 18 December 2019

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**for the year ended 31 August 2019**

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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 Academies Accounts Direction published 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:

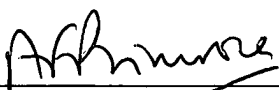
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 18 December 2019 and signed on its behalf by:



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**Dr A Primrose**  
Chair of Trustees

**Independent auditor's Report on the financial statements to the Members of St Chad's Academies Trust**

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**Opinion**

We have audited the financial statements of St Chad's Academies Trust (the 'multi academy trust') for the year ended 31 August 2019 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 2018 to 2019 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 2019 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 2018 to 2019 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 Auditor's 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:

**Independent auditor's Report on the financial statements to the Members of St Chad's Academies Trust**  
**(continued)**

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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 auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, the Governance statement, the statement on regularity, propriety and compliance, and the statement of trustees' responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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



**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of St Chad's Academies Trust**  
**(continued)**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

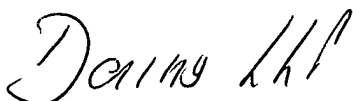
**Auditor's responsibilities for the audit of the financial statements**

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

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 auditor's report.

**Use of our report**

This report is made solely to the charitable 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 charitable Multi Academy Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Morris FCA (Senior Statutory Auditor)**

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

18 December 2019

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to St Chad's Academies Trust and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Chad's Academies Trust during the year 1 September 2018 to 31 August 2019 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 St Chad's Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Chad's Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Chad's Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Chad's Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Chad's Academies Trust's funding agreement with the Secretary of State for Education dated 28 June 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to St Chad's Academies Trust and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Dains LLP*

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

Date: 18 December 2019

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		596,686	(2,216,000)	-	(1,619,314)	(369,819)
Transfer from another Academy Trust		-	-	-	-	(1,539,316)
Other donations and capital grants		291,421	-	1,229,897	1,521,318	297,576
Charitable activities:	4					
Funding for the academy trust's educational operations		-	20,513,359	-	20,513,359	14,861,615
Other trading activities	5	807,777	10,173	-	817,950	463,857
Investments	6	2,360	-	-	2,360	1,791
<b>Total income</b>		<b>1,698,244</b>	<b>18,307,532</b>	<b>1,229,897</b>	<b>21,235,673</b>	<b>13,715,704</b>
<b>Expenditure on:</b>						
Charitable activities:	7					
Multi academy trust's educational operations		199,765	21,946,008	153,858	22,299,632	16,136,784
<b>Total expenditure</b>		<b>199,765</b>	<b>21,946,008</b>	<b>153,858</b>	<b>22,299,631</b>	<b>16,136,784</b>
<b>Net income/ (expenditure) before transfers</b>		<b>1,498,479</b>	<b>(3,638,476)</b>	<b>1,076,039</b>	<b>(1,063,958)</b>	<b>(2,421,080)</b>
Transfers between funds	19	(658,718)	385,791	272,927	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>839,761</b>	<b>(3,252,685)</b>	<b>1,348,966</b>	<b>(1,063,958)</b>	<b>(2,421,080)</b>
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(2,998,000)	-	(2,998,000)	1,391,000
<b>Net movement in funds</b>		<b>839,761</b>	<b>(6,250,685)</b>	<b>1,348,966</b>	<b>(4,061,958)</b>	<b>(1,030,080)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	19	2,362,233	(7,681,568)	907,231	(4,412,104)	(3,382,024)
Net movement in funds		839,761	(6,250,685)	1,348,966	(4,061,958)	(1,030,080)
<b>Total funds carried forward</b>	19	<b>3,201,994</b>	<b>(13,932,253)</b>	<b>2,256,197</b>	<b>(8,474,062)</b>	<b>(4,412,104)</b>

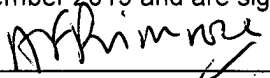
The notes on pages 29 to 60 form part of these financial statements.

**St Chad's Academies Trust**  
**(A company limited by guarantee)**  
**Registered number: 08526973**

**Balance sheet**  
**for the year ended 31 August 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	14	35,814	40,290
Tangible assets	15	1,757,270	866,941
		<u>1,793,084</u>	<u>907,231</u>
<b>Current assets</b>			
Debtors	16	1,176,969	1,156,261
Cash at bank and in hand		5,433,367	3,585,279
		<u>6,610,336</u>	<u>4,741,540</u>
Creditors: amounts falling due within one year	17	(2,675,264)	(2,054,608)
<b>Net current assets</b>		<u>3,935,072</u>	<u>2,686,932</u>
<b>Total assets less current liabilities</b>		<u>5,728,156</u>	<u>3,594,163</u>
Creditors: amounts falling due after more than one year	18	(9,218)	(11,267)
<b>Net assets excluding pension liability</b>		<u>5,718,938</u>	<u>3,582,896</u>
Defined benefit pension scheme liability	26	(14,193,000)	(7,995,000)
<b>Total net assets</b>		<u><u>(8,474,062)</u></u>	<u><u>(4,412,104)</u></u>
<b>Funds of the Multi Academy Trust</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	19	2,256,197	907,231
Restricted income funds	19	260,747	313,432
		<u>2,516,944</u>	<u>1,220,663</u>
Restricted funds excluding pension asset	19	2,516,944	1,220,663
Pension reserve	19	(14,193,000)	(7,995,000)
<b>Total restricted funds</b>	19	<u>11,676,056</u>	<u>(6,774,337)</u>
<b>Unrestricted income funds</b>	19	<u>3,201,994</u>	<u>2,362,233</u>
<b>Total funds</b>		<u><u>(8,474,062)</u></u>	<u><u>(4,412,104)</u></u>

The financial statements on pages 26 to 60 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:

  
**Dr A Primrose**  
 Chair of Trustees

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 August 2019**

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	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>2,050,578</b>	1,523,237
<b>Cash flows from investing activities</b>	23	<b>(231,916)</b>	(378,856)
<b>Cash flows from financing activities</b>	22	<b>29,426</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>1,848,088</b>	1,144,381
Cash and cash equivalents at the beginning of the year		<b>3,585,279</b>	2,440,898
<b>Cash and cash equivalents at the end of the year</b>	24	<b>5,433,367</b>	<b>3,585,279</b>

The notes on pages 29 to 60 form part of these financial statements

## **1. Accounting policies**

### **General information**

St Chad's Academies Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 08526973 and its registered office is St Mary's House, The Close, Lichfield, Staffordshire, WS13 7LD. The principal activity of the trust is given in the Trustees' report.

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

### **1.1 Basis of preparation of financial statements**

The financial statements of the Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Multi Academy Trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £.

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

### **1.3 Income**

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

- **Grants**

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

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

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

**1. Accounting policies (continued)**

**1.3 Income (continued)**

which they are expended.

• **Sponsorship income**

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

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

• **Transfer on conversion**

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

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.



**1. Accounting policies (continued)**

**1.5 Interest receivable**

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

**1.6 Taxation**

The 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Intangible assets**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

The estimated useful lives are as follows:

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	- 10 % straight line
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**1.8 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The multi academy trust occupies:

Land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

Having considered the fact that the multi academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the multi academy trust no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the Trustees have concluded that the value of the land buildings occupied by

**1. Accounting policies (continued)**

**1.8 Tangible fixed assets (continued)**

the multi academy trust will not be recognised on the balance sheet of the multi academy trust.

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

Depreciation is provided on the following bases:

Site improvements	- 2% straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

**1.9 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**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

**1.12 Provisions**

Provisions are recognised when the Multi Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1. Accounting policies (continued)**

**1.13 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Operating leases**

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

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1. Accounting policies (continued)**

**1.16 Conversion to an academy trust**

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

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

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

**1.17 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.

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

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

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Critical areas of judgement:*

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

**Depreciation**

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Transfer from local authority on conversion	596,686	(2,216,000)	-	(1,619,314)
Transfer from another academy trust	-	-	-	-
	<u>596,686</u>	<u>(2,216,000)</u>	<u>-</u>	<u>(1,619,314)</u>
Donations	291,421	-	-	291,421
Grants	-	-	1,229,897	1,229,897
	<u>291,421</u>	<u>-</u>	<u>1,229,897</u>	<u>1,521,318</u>
<b>Total 2019</b>	<u><u>888,107</u></u>	<u><u>(2,216,000)</u></u>	<u><u>1,229,897</u></u>	<u><u>(97,996)</u></u>

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Transfer from local authority on conversion	275,182	(645,000)	-	(369,818)
Transfer from another academy trust	318,888	(2,084,381)	226,177	(1,539,316)
	<u>594,070</u>	<u>(2,729,381)</u>	<u>226,177</u>	<u>(1,909,134)</u>
Donations	150,354	-	-	150,354
Grants	-	-	147,221	147,221
	<u>150,354</u>	<u>-</u>	<u>147,221</u>	<u>297,575</u>
	<u><u>744,424</u></u>	<u><u>(2,729,381)</u></u>	<u><u>373,398</u></u>	<u><u>(1,611,559)</u></u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**4. Funding for the Multi Academy Trust's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	16,095,190	<b>16,095,190</b>	11,820,545
Start up grants	35,827	<b>35,827</b>	90,069
Other DfE/ESFA grants	2,672,378	<b>2,672,378</b>	1,789,318
	<u>18,803,395</u>	<u><b>18,803,395</b></u>	<u>13,699,932</u>
<b>Other government grants</b>			
Local authority grants	419,962	<b>419,962</b>	248,894
Early years funding	888,427	<b>888,427</b>	603,090
	<u>1,308,389</u>	<u><b>1,308,389</b></u>	<u>851,984</u>
<b>Other funding</b>			
Other income	117,928	<b>117,928</b>	116,640
Catering income	283,647	<b>283,647</b>	193,059
	<u>20,513,359</u>	<u><b>20,513,359</b></u>	<u>14,861,615</u>

**5. Other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Lettings	48,356	-	<b>48,356</b>
Music tuition	5,613	-	<b>5,613</b>
Other income	134,870	10,173	<b>145,043</b>
Insurance receipts	90,826	-	<b>90,826</b>
Fundraising income	10,040	-	<b>10,040</b>
Higher Education Student Income	115,987	-	<b>115,987</b>
Private nursery income	171,756	-	<b>171,756</b>
Kids Club Income	225,563	-	<b>225,563</b>
Photograph income	4,766	-	<b>4,766</b>
	<u>807,777</u>	<u>10,173</u>	<u><b>817,950</b></u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**5. Other trading activities (continued)**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>
Lettings	50,661	-	50,661
Music tuition	7,148	-	7,148
Other income	92,978	-	92,978
Insurance receipts	84,814	-	84,814
Fundraising income	8,314	-	8,314
Higher Education Student Income	24,259	-	24,259
Private nursery income	40,324	-	40,324
Kids Club Income	153,247	-	153,247
Photograph income	2,112	-	2,112
	<u>463,857</u>	<u>-</u>	<u>463,857</u>

**6. Income from investments**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	<u>2,360</u>	<u>2,360</u>	<u>1,791</u>



**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**7. Expenditure**

	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £
Multi Academy Trust's Educational Operations:				
Direct costs	13,854,171	-	2,322,804	<b>16,176,975</b>
Allocated support costs	2,682,129	1,264,792	2,175,736	<b>6,122,657</b>
	<u>16,536,300</u>	<u>1,264,792</u>	<u>4,498,540</u>	<u><b>22,299,632</b></u>

	<b>Staff Costs</b> <b>2018</b> £	<b>Premises</b> <b>2018</b> £	<b>Other</b> <b>2018</b> £	<b>Total</b> <b>2018</b> £
Educational Operations:				
Direct costs	10,071,265	-	1,645,036	11,716,301
Allocated support costs	1,977,225	1,163,291	1,279,967	4,420,483
	<u>12,048,490</u>	<u>1,163,291</u>	<u>2,925,003</u>	<u>16,136,784</u>

**8. Analysis of expenditure by activities**

	<b>Direct costs</b> <b>2019</b> £	<b>Support costs</b> <b>2019</b> £	<b>Total funds</b> <b>2019</b> £
Educational Operations	16,176,975	6,122,657	<u><b>22,299,632</b></u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**8. Analysis of expenditure by activities (continued)**

	<b>Activities undertaken directly 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total funds 2018 £</b>
Educational Operations	11,716,301	4,420,483	16,136,784

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension income	251,000	176,000
Staff costs	13,854,171	10,071,265
Depreciation	153,858	140,018
Educational supplies	175,825	192,911
Examination fees	878	365
Staff development	127,895	62,112
Technology costs	489,205	326,404
Educational consultancy	542,422	264,001
Other direct costs	490,587	395,452
Supply teacher insurance	91,133	87,773
	<u>16,176,975</u>	<u>11,716,301</u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	2,682,129	1,977,225
Staff development	6,842	17,940
Educational consultancy	27,294	1,470
Travel and subsistence	64,892	40,956
Other direct costs	522,075	322,863
Maintenance of premises	399,026	362,261
Maintenance of equipment	195,168	178,504
Cleaning	394,272	273,991
Rates	66,800	61,067
Water rates	56,739	44,773
Energy	224,832	181,928
Insurance	128,967	86,622
Catering costs	855,063	647,518
Other occupancy costs	338,199	149,802
Governance costs	160,361	73,563
	<u>6,122,657</u>	<u>4,420,483</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	149,383	135,411
Amortisation of intangible assets	4,477	4,477
Operating lease rentals		
- audit	<u>33,900</u>	<u>30,325</u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	12,515,619	9,208,362
Social security costs	1,081,859	774,450
Pension costs	2,918,795	2,065,678
	<u>16,516,273</u>	<u>12,048,490</u>
Staff restructuring costs	20,027	-
	<u>16,536,300</u>	<u>12,048,490</u>
	2019 £	2018 £
Redundancy payments	18,503	-
Severance payments	1,524	-
	<u>20,027</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,524 (2018: £nil). Individually, the payments were: £1,524.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	202	175
Support	495	438
Management	3	3
	<u>700</u>	<u>616</u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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**10. Staff (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>182</b>	155
Support	<b>321</b>	241
Management	<b>3</b>	3
	<b>506</b>	399

**d. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>3</b>	5
In the band £70,001 - £80,000	<b>5</b>	1
In the band £80,001 - £90,000	<b>2</b>	-

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £263,995 (2018: £248,229).

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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**11. Central services**

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

- Payroll services
- Financial services
- Education services
- HR services
- Legal services

The Multi Academy Trust charges for these services on the following basis:

5% of General Annual Grant

The actual amounts charged during the year were as follows:

	2019 £	2018 £
All Saints National Academy	66,463	66,918
Birchills Church of England Community School	86,415	86,870
Bishop Lonsdale Church of England Primary School	37,591	38,046
Christ Church Church of England Primary School	34,088	-
Churchfield Church of England Primary Academy	37,834	35,511
Dawley Church of England Primary Academy	41,742	16,961
Havergal Church of England Primary School	32,219	33,519
Holy Trinity Church of England Primary Academy & Nursery	53,310	48,738
St James Church of England Primary Academy	11,833	21,249
St John's Church of England Primary School (Stafford)	71,593	72,356
St John's Church of England Primary School	46,636	48,032
St Judes Church of England Primary Academy	77,234	32,115
St Matthew's Church of England Primary School	20,917	22,331
St Peter's Church of England Primary School	34,007	35,136
Stoke Minster Church of England Primary Academy	81,627	39,616
Trinity Church of England Primary School	55,886	-
<b>Total</b>	<b>789,395</b>	<b>597,398</b>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**12. Trustees' remuneration and expenses**

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

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
S M Wedgwood, Chief Executive	Remuneration	<b>80,000 -</b>	75,000 -
		<b>85,000</b>	80,000
	Pension contributions paid	<b>10,000 -</b>	5,000 -
		<b>15,000</b>	10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Multi Academy Trust 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 on any one claim. It is not possible to quantify the trustees and officers indemnity elements from the overall cost of the academy trusts insurance.

**14. Intangible assets**

	<b>Computer software</b>
	<b>£</b>
<b>Cost</b>	
At 1 September 2018	<b>44,767</b>
At 31 August 2019	<b>44,767</b>
<b>Amortisation</b>	
At 1 September 2018	<b>4,477</b>
Charge for the year	<b>4,477</b>
At 31 August 2019	<b>8,953</b>
<b>Net book value</b>	
At 31 August 2019	<b>35,814</b>
At 31 August 2018	<b>40,290</b>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**15. Tangible fixed assets**

	Site improvements £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	356,822	481,662	308,660	1,147,144
Additions	706,406	250,140	83,166	1,039,712
At 31 August 2019	<u>1,063,228</u>	<u>731,802</u>	<u>391,826</u>	<u>2,186,856</u>
<b>Depreciation</b>				
At 1 September 2018	3,433	71,898	204,872	280,203
Charge for the year	7,531	60,197	81,655	149,383
At 31 August 2019	<u>10,964</u>	<u>132,095</u>	<u>286,527</u>	<u>429,586</u>
<b>Net book value</b>				
At 31 August 2019	<u>1,052,264</u>	<u>599,707</u>	<u>105,299</u>	<u>1,757,270</u>
At 31 August 2018	<u>353,389</u>	<u>409,764</u>	<u>103,788</u>	<u>866,941</u>

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	45,531	9,162
Other debtors	354,279	484,632
Prepayments and accrued income	777,159	662,467
	<u>1,176,969</u>	<u>1,156,261</u>



**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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

	2019 £	2018 £
Other loans	33,524	2,048
Trade creditors	1,117,628	724,185
Other taxation and social security	280,191	229,441
Other creditors	307,117	243,732
Accruals and deferred income	936,804	855,202
	<u>2,675,264</u>	<u>2,054,608</u>
	2019 £	2018 £
Deferred income at 1 September 2018	<u>306,380</u>	<u>306,380</u>

At the balance sheet date the Multi Academy Trust was holding funds received in advance for the following:

Free school meals funding  
Devolved formula capital  
Rates relief

**18. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other loans	<u>9,218</u>	<u>11,267</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>1,026</u>	<u>3,075</u>
	<u>1,026</u>	<u>3,075</u>

The loan included above relates to an Energy Efficiency loan held by Churchfield Church of England Primary Academy. The loan is to be repaid over 7 years through annual repayments of £2,048.

**St Chad's Academies Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
for the year ended 31 August 2019

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	2,362,233	1,698,244	(199,765)	(658,718)	-	3,201,994
<b>Restricted general funds</b>						
General Annual Grant (GAG)	288,300	16,095,190	(16,479,000)	356,257	-	260,747
Other DfE / EFSA grants	25,132	2,708,205	(2,745,589)	12,252	-	-
Other government grants	-	1,308,389	(1,308,389)	-	-	-
Other restricted grants	-	411,748	(429,030)	17,282	-	-
Pension reserve	(7,995,000)	(2,216,000)	(984,000)	-	(2,998,000)	(14,193,000)
	<u>(7,681,568)</u>	<u>18,307,532</u>	<u>(21,946,008)</u>	<u>385,791</u>	<u>(2,998,000)</u>	<u>(13,932,253)</u>
<b>Restricted fixed asset funds</b>						
Other DfE / EFSA capital grants	907,231	1,229,897	(153,858)	272,927	-	2,256,197
<b>Total restricted funds</b>	<u>(6,774,337)</u>	<u>19,537,429</u>	<u>(22,099,866)</u>	<u>658,718</u>	<u>(2,998,000)</u>	<u>(11,676,056)</u>
<b>Total funds</b>	<u><u>(4,412,104)</u></u>	<u><u>21,235,673</u></u>	<u><u>(22,299,631)</u></u>	<u><u>-</u></u>	<u><u>(2,998,000)</u></u>	<u><u>(8,474,062)</u></u>

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

**Restricted funds**

This fund represents grants and other income received for the multi academy trust's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the multi academy trust's share of the pension liability arising on the LGPS fund.

**Restricted fixed assets funds**

Thus fund represents grants and other income received to carry out works of a capital nature.

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. 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 it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
All Saints National CE Academy	227,967	174,727
Birchills CECommunity Academy	295,685	162,612
Bishop Lonsdale CE Primary Academy	112,005	1,967
Christ Church CE Primary Academy	62,190	-
Churchfield CE Primary Academy	141,455	139,436
Dawley CE Primary Academy	239,994	175,011
Havergal CE Primary Academy	233,905	390,674
Holy Trinity CE Primary Academy & Nursery	161,579	159,409
St James CE Primary Academy	53,674	43,217
St John's CE Primary Academy (Stafford)	289,438	250,258
St John's CE Primary Academy	319,571	295,824
St Judes CE Primary Academy	305,753	291,704
St Matthew's CE Primary Academy	83,670	66,097
St Peter's CE Primary Academy	61,459	53,082
Stoke Minster CE Primary Academy	318,763	310,490
Trinity CE Primary Academy	502,363	-
Central services	53,270	161,157
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,462,741	2,675,665
Restricted fixed asset fund	2,256,197	907,231
Pension reserve	(14,193,000)	(7,995,000)
	<hr/>	<hr/>
<b>Total</b>	<b>(8,474,062)</b>	<b>(4,412,104)</b>
	<hr/> <hr/>	<hr/> <hr/>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
All Saints National	1,159,456	86,694	108,800	396,572	1,751,522
Birchills CE Community	1,570,233	279,435	104,945	437,619	2,392,232
Bishop Lonsdale CE Primary	774,162	78,597	38,401	297,917	1,189,077
Christ Church CE Primary	626,798	87,689	47,951	183,980	946,418
Churchfield CE Primary	735,253	119,590	39,019	234,995	1,128,857
Dawley CE Primary	726,043	111,709	65,108	243,383	1,146,243
Havergal CE Primary	551,821	98,736	29,305	227,940	907,802
Holy Trinity CE Primary & Nursery	959,113	137,054	104,291	339,271	1,539,729
St James CE Primary	311,631	82,239	52,892	105,362	552,124
St John's CE Primary (Stafford)	1,149,042	196,177	86,230	317,441	1,748,890
St John's CE Primary	626,500	140,381	38,077	230,706	1,035,664
St Judes CE Primary	1,439,876	344,761	142,688	429,412	2,356,737
St Matthew's CE Primary	318,876	50,938	38,953	107,494	516,261
St Peter's CE Primary	488,966	88,613	62,600	225,444	865,623
Stoke Minster CE Primary	1,533,454	224,941	104,009	394,126	2,256,530
Trinity CE Primary	1,132,423	102,107	63,266	337,187	1,634,983
Central services	-	453,988	4,861	515,163	974,012
<b>Multi Academy Trust</b>	<b>14,103,647</b>	<b>2,683,649</b>	<b>1,131,396</b>	<b>5,024,012</b>	<b>22,942,704</b>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	1,328,147	1,210,072	(175,986)	-	-	2,362,233
<b>Restricted general funds</b>						
General Annual Grant (GAG)	694,869	11,820,544	(11,921,870)	(305,243)	-	288,300
Other DfE / EFSA grants	-	1,879,386	(1,831,606)	(22,648)	-	25,132
Other government grants	-	968,625	(968,625)	-	-	-
Other restricted grants	-	193,059	(193,059)	-	-	-
Transfer from another trust	-	173,620	(173,620)	-	-	-
Pension reserve	(5,751,000)	(2,903,000)	(732,000)	-	1,391,000	(7,995,000)
	<u>(5,056,131)</u>	<u>12,132,234</u>	<u>(15,820,780)</u>	<u>(327,891)</u>	<u>1,391,000</u>	<u>(7,681,568)</u>
<b>Restricted fixed asset funds</b>						
DfE / EFSA capital grants	345,960	373,398	(140,018)	327,891	-	907,231
<b>Total Restricted funds</b>	<u>(4,710,171)</u>	<u>12,505,632</u>	<u>(15,960,798)</u>	<u>-</u>	<u>1,391,000</u>	<u>(6,774,337)</u>
<b>Total funds</b>	<u><u>(3,382,024)</u></u>	<u><u>13,715,704</u></u>	<u><u>(16,136,784)</u></u>	<u><u>-</u></u>	<u><u>1,391,000</u></u>	<u><u>(4,412,104)</u></u>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	1,757,270	1,757,270
Intangible fixed assets	-	-	35,814	35,814
Current assets	2,838,132	3,195,569	576,635	6,610,336
Creditors due within one year	363,862	(2,925,604)	(113,522)	(2,675,264)
Creditors due in more than one year	-	(9,218)	-	(9,218)
Provisions for liabilities and charges	-	(14,193,000)	-	(14,193,000)
<b>Total</b>	<b>3,201,994</b>	<b>(13,932,253)</b>	<b>2,256,197</b>	<b>(8,474,062)</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	826,651	-	40,290	866,941
Intangible fixed assets	(826,651)	-	866,941	40,290
Current assets	2,362,233	2,283,180	96,128	4,741,541
Creditors due within one year	-	(1,958,481)	(96,128)	(2,054,609)
Creditors due in more than one year	-	(11,267)	-	(11,267)
Provisions for liabilities and charges	-	(7,995,000)	-	(7,995,000)
<b>Total</b>	<b>2,362,233</b>	<b>(7,681,568)</b>	<b>907,231</b>	<b>(4,412,104)</b>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**21. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per statement of financial activities)	<b>(1,063,958)</b>	(2,421,080)
<b>Adjustments for:</b>		
Depreciation and amortisation charges	<b>153,860</b>	139,888
Capital grants from DfE and other capital income	<b>(805,436)</b>	(94,332)
Interest receivable	<b>(2,360)</b>	(1,791)
Defined benefit pension scheme cost less contributions payable	<b>984,000</b>	732,000
Increase in debtors	<b>(20,708)</b>	(307,048)
Increase in creditors	<b>589,180</b>	798,780
Net liabilities on conversion	-	(226,180)
Fixed assets transferred on conversion	<b>2,216,000</b>	2,903,000
<b>Net cash provided by operating activities</b>	<b>2,050,578</b>	1,523,237

**22. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	<b>31,474</b>	-
Repayments of borrowing	<b>(2,048)</b>	-
<b>Net cash provided by financing activities</b>	<b>29,426</b>	-

**23. Cash flows from investing activities**

	2019 £	2018 £
Bank interest received	<b>2,360</b>	1,791
Purchase of intangible assets	-	(44,767)
Purchase of tangible fixed assets	<b>(1,039,712)</b>	(430,212)
Capital grants from DfE Group	<b>805,436</b>	94,332
<b>Net cash used in investing activities</b>	<b>(231,916)</b>	(378,856)

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**24. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>5,433,367</b>	3,585,279
<b>Total cash and cash equivalents</b>	<b>5,433,367</b>	<b>3,585,279</b>

**25. Conversion to an academy trust**

On 1 December 2018 Christ Church CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academies Trust from Stoke-on-Trent Council for £NIL consideration.

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

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash - representing budget surplus on LA funds	51,527	-	<b>51,527</b>
LGPS pension deficit	-	(451,000)	<b>(451,000)</b>
<b>Net assets/(liabilities)</b>	<b>51,527</b>	<b>(451,000)</b>	<b>(399,473)</b>



**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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**25. Conversion to an academy trust (continued)**

On 1 March 2018 Trinity Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academies Trust from City of Wolverhampton Council for £NIL consideration.

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

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

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
<b>Current assets</b>			
Cash - representing budget surplus on LA funds	545,159	-	<b>545,159</b>
LGPS pension deficit	-	(1,765,000)	<b>(1,765,000)</b>
<b>Net assets/(liabilities)</b>	<u>545,159</u>	<u>(1,765,000)</u>	<u><b>(1,219,841)</b></u>

**26. Pension commitments**

The Multi Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Walsall Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £258,891 were payable to the schemes at 31 August 2019 (2018 - £196,567) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**26. Pension commitments (continued)**

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,068,327 (2018 - £741,397).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,303,000 (2018 - £865,000), of which employer's contributions totalled £1,057,000 (2018 - £683,000) and employees' contributions totalled £ 246,000 (2018 - £182,000). The agreed contribution rates for future years are per cent for employers and per cent 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**

	<b>2019</b>	<b>2018</b>
	%	%
Rate of increase in salaries	<b>3.32</b>	2.99
Rate of increase for pensions in payment/inflation	<b>4.23</b>	3.40
Discount rate for scheme liabilities	<b>2.00</b>	2.49
Inflation assumption (CPI)	<b>2.05</b>	2.49

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

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**26. Pension commitments (continued)**

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	22.7	23.9
Females	25.4	26.6
<i>Retiring in 20 years</i>		
Males	24.2	26.1
Females	27.1	28.9

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	(615,000)	(367,000)
Discount rate -0.1%	623,000	371,000
Mortality assumption - 1 year increase	378,000	215,000
Mortality assumption - 1 year decrease	(366,000)	(186,000)
CPI rate +0.1%	462,000	268,000
CPI rate -0.1%	(366,000)	(263,000)

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

	<b>At 31</b>	<b>At 31</b>
	<b>August 2019</b>	<b>August 2018</b>
	<b>£</b>	<b>£</b>
Equities	4,646,000	3,332,000
Gilts and bonds	1,368,000	823,000
Property	569,000	395,000
Cash and other liquid assets	185,000	163,000
Asset backed securities	498,000	338,000
<b>Total market value of assets</b>	<b>7,266,000</b>	<b>5,051,000</b>

The actual return on scheme assets was £407,000 (2018 - £194,000).

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**26. Pension commitments (continued)**

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

	2019 £	2018 £
Current service cost	(1,514,000)	(1,239,000)
Past service cost	(276,000)	-
Interest income	165,000	97,000
Interest cost	(416,000)	(273,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(2,041,000)</b>	<b>(1,415,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>13,046,000</b>	<b>8,563,000</b>
Conversion of academy trusts	2,815,000	4,157,000
Current service cost	1,514,000	1,239,000
Interest cost	416,000	273,000
Employee contributions	246,000	182,000
Actuarial losses/(gains)	3,240,000	(1,294,000)
Benefits paid	(94,000)	(74,000)
Past service costs	276,000	-
<b>At 31 August</b>	<b>21,459,000</b>	<b>13,046,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>5,051,000</b>	<b>2,812,000</b>
Conversion of academy trusts	599,000	1,254,000
Interest income	165,000	97,000
Actuarial gains	242,000	97,000
Employer contributions	1,057,000	683,000
Employee contributions	246,000	182,000
Benefits paid	(94,000)	(74,000)
<b>At 31 August</b>	<b>7,266,000</b>	<b>5,051,000</b>

**St Chad's Academies Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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**27. Operating lease commitments**

At 31 August 2019 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>
	<b>£</b>
Not later than 1 year	559,154
Later than 1 year and not later than 5 years	248,649
Later than 5 years	42,040
	<hr/>
	<b>849,843</b>
	<hr/> <hr/>

**28. Related party transactions**

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

**29. Controlling party**

The immediate parent undertaking at the balance sheet date is the Church of England Central Education Trust (CECET), a charity registered in England and Wales.

The ultimate parent undertaking and ultimate controlling at the balance sheet date is the Lichfield Diocesan Board of Education, a charitable company registered in England and Wales.

**30. Members' liability**

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