



**University of Chichester (Multi) Academy Trust**

**(A Company Limited by Guarantee)**

**Report and Financial Statements**

**Period ended 31 August 2014**

Period of account 3 July 2013 (date of incorporation) - 31 August 2014

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**CONTENTS**

---

|  | Page    |
|--|---------|
| Reference and Administrative Details   | 2 - 3   |
| Trustees' Report   | 4 - 17  |
| Governance Statement   | 18 - 21 |
| Statement on Regularity, Propriety and Compliance                              | 22      |
| Statement of Trustees' Responsibilities  | 23      |
| Independent Auditor's Report on the Financial Statements                       | 24 - 25 |
| Independent Reporting Accountant's Report on Regularity                        | 26 - 27 |
| Statement of Financial Activities incorporating Income and Expenditure Account | 28      |
| Balance Sheet  | 29      |
| Cash Flow Statement  | 30      |
| Notes to the Financial Statements, incorporating:                              |         |
| Statement of Accounting Policies   | 31      |
| Other Notes to the Financial Statements  | 35 - 62 |

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

|   |   |  |
|---|---|--|
| <b>Members</b>                                | Clive Behagg<br>Ian Child<br>Philip Robinson  |  |
| <b>Trustees</b>                               | Clive Behagg (Chair)<br>Philip Robinson<br>Ian Child<br>Alan McMurdo (Director of Academies)<br>Joe Vitagliano<br>Sue Patrick<br>Michael Grant<br>Richard Edwards<br>Graham Olway<br>Richard Martin<br>Sue Samson | (resigned 30 November 2014)<br>(appointed 19 March 2014)<br>(resigned 13 November 2014)<br>(appointed 19 March 2014)<br>(appointed 5 February 2014)<br>(appointed 7 May 2014)<br>(appointed 7 May 2014)<br>(appointed 1 December 2014) |
| <b>Company Secretary</b>                      | Helen Turner  |  |
| <b>Strategic Team</b>                         |   |  |
| Director of Academies                         | Alan McMurdo  | (30 November 2014)   |
| Interim Chief Executive                       | Sue Samson  | (1 December 2014)  |
| Director of Financial and Commercial Services | Helen Turner  |  |
| Director of Partnerships                      | Jane Evans  |  |
| Director of Strategic Growth                  | Romy Jones  |  |
| Director of Standards                         | Jerry Goddard   | (from 1 November 2014)   |
| <b>Principal Registered Office</b>            | University of Chichester<br>Bishop Otter Campus<br>College Lane<br>Chichester<br>PO19 6PE   |  |
| <b>Company registration number</b>            | 8595545   |  |
| <b>Independent Auditor</b>                    | MHA MacIntyre Hudson<br>New Bridge Street House<br>34-40 New Bridge St<br>London<br>EC4V 6BJ  |  |

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

---

**Bankers**

The Royal Bank of Scotland  
First Floor  
3 Hampshire Corporate Park  
PO Box 462  
Templar's Way  
Chandler's Ford  
SO53 3RY

**Solicitors**

Blake Morgan LLP  
New Kings Court,  
Tollgate  
Chandler's Ford,  
Eastleigh,  
Hampshire  
SO53 3LG

---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2014

---

The trustees of the University of Chichester (Multi) Academy Trust (referred to in this document as 'the trust') present their report together with the financial statements and auditors' reports of the charitable company for the fourteen months to 31 August 2014. The report serves the purpose of both a trustees' report and a directors' report under company law. In this report the directors are referred to throughout as trustees.

The trust operates three academies in the south east of England: one junior school, one primary school and one secondary school. The total pupil capacity of all three schools is 1,438 with a total on roll of 1,173 in the school census taken in spring 2014.

#### **Structure, Governance and Management**

##### Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as the University of Chichester Academy Trust and also as 'CAT' for short.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on pages 2 - 3.

##### 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.

##### Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the trust. The cost of this insurance in the year was £1,253.

##### Method of Recruitment and Appointment or Election of Trustees

The Articles of Association state that the number of trustees shall be between three and fifteen and they shall be appointed using the criteria below as long as the total number does not exceed fifteen:

|  |         |
|--|---------|
| Appointed by the Sponsor (University of Chichester)  | Up to 6 |
| Chief Executive appointed by the Sponsor   | 1       |
| Parents of registered pupils at one or more academies (unless there are Local Governing Bodies which include at least two parents) | 2       |
| Appointed by the Members   | 1       |
| Staff member appointed by the trustees   | 1       |
| Principal appointed by the trustees  | 1       |
| Chair of a Local Governing Body appointed by the trustees  | 1       |
| Co-opted by other trustees   | Up to 3 |

Trustees are selected in order to achieve the best mix of skills, effectiveness, leadership and impact.

---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2014

---

The required mix of skills and experience identified by trustees included the following:

- Experience of working within schools and academies
- Experience of delivering school improvement
- Experience of strategic leadership within an education environment
- Business and commercial skills
- Finance and audit
- Governance and compliance
- HR, equality and diversity
- Estates
- Admissions
- Fundraising and strategic partnerships

Trustees have been recruited to the Board through a mixture of personal approaches, applications to the New Schools Network and the School Governors' One Stop Shop (SGOSS).

#### Policies and Procedures Adopted for the Induction and Training of Trustees

As this is the first year of operation trustees have been appointed gradually over the period as individuals with the right mix of skills and experience have been identified. The Chair and Director of Academies have held informal inductions with each of them and Board meetings have been held every two months in order to give trustees the opportunity to understand and contribute to the governance and strategic direction of the trust.

A Governance workshop is being planned for January for all trustees and chairs of Local Governing Bodies and a specialist adviser has been appointed to carry out inductions and training.

#### Organisational Structure

The trustees have overall responsibility and ultimate decision making authority for all the work of the trust, including the establishing and running of academies. This is largely exercised through strategic planning and the setting of policy and also through the setting and monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes.

The Articles state that the business of the trust shall be managed by the trustees but that in the exercise of their powers and functions the trustees may consider any advice given by the Chief Executive Officer (Director of Academies) and any other executive officer. The Chief Executive Officer is assisted in this task by the Strategic Team.

The Chief Executive is the Accounting Officer of the multi academy trust and she is assisted in this task by the Director of Financial and Commercial Services who is the Principal Financial Officer.

The trustees delegate certain responsibilities to committees known as Local Governing Bodies and a Scheme of Delegation for each school sets out how these delegated powers operate. This document also sets out how such delegated powers may be further delegated to the Head teacher or Principal within the school.

The trustees have reserved certain matters to themselves which cannot be delegated; these are set out in the Scheme of Delegation.

#### Connected Organisations, including Related Party Relationships

The University of Chichester (Multi) Academy Trust was established in July 2013 by the University of Chichester acting as its sponsor. This formed part of the University's strategy of widening participation in higher education and making a contribution to its community. Sponsoring academies was seen as a way of supporting the leadership, management

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

and school improvement agendas for schools and providing a catalyst for improving the educational outcomes for children and young people.

The University supports the trust through contributing to its governance, providing finance, providing staff and by making the University's facilities available to the trust.

The University has influence over the University of Chichester (Multi) Academy Trust's Board through its ability, as set out in the Articles, to appoint up to six Directors. This gives the University significant influence in setting the strategic direction of the trust but not majority control. None of the Directors receive remuneration for their work as Directors.

The Articles also set out the University's interest in the membership of the trust by appointing the Vice Chancellor and the Deputy Vice Chancellor as two of the five members, neither of whom receive any remuneration from the trust. Two vacancies exist for members as at 31 August.

The University has paid the start-up costs, staff costs and premises/service costs for the trust since inception, as a form of extended credit, and has re-charged the costs incurred to date. The amount provided by the University as the trust's sponsor to the end of the period was £829,000; this includes start-up costs of £261,000. This is included as a current liability in the balance sheet. The trustees have reassured themselves that all re-charges made by the University have been at cost.

The trust and the University wish to formalise this arrangement by entering into a loan agreement with the University for these start-up and ongoing costs with a repayment period of seven years as follows: the University will make a minimum £1m available to the trust to enable it to meet its obligations under the Master Funding Agreement and Supplemental Funding Agreements.

The loan agreement proposed will be to 31 March 2021 and will be reviewed in March 2015 and annually thereafter. There will be no interest charge payable and no penalties for early repayment. A repayment schedule will form part of the loan agreement. The loan repayments will be made out of grant monies awarded to the academies.

The trust has applied to the Secretary of State for permission to put such a loan agreement in place but this had not yet been granted at the time of writing this report.

All staff working for the trust, whether full time or seconded on a part-time basis have employment contracts with the University.

In addition, members of the University's Institute of Education provide school improvement services to the academies within the trust and these are invoiced to the trust on a termly basis.

The University provides accommodation and associated facilities, including IT support, for the staff working for the trust and the costs of these services are notionally re-charged.

### Objectives and Activities

#### Objects and Aims

The Articles of Association set out the trust's objects as follows:

*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 schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.*

The aims of the trust are to work with an eclectic, cross-phase family of schools with the common aim of continuous school improvement through challenge, collaboration and support. The trust works with academy leaders and teachers

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

to improve teaching and improve all educational outcomes for children and young people.

The trust aims to achieve this by:

- Promoting high aspirations and success for all.
- Ensuring progress and sustained improvement in standards of education.
- Creating a learning environment where staff promote and deliver a positive, exciting and relevant learning experience for pupils.
- Supporting and building leadership and management capacity.
- Developing a community where parents and carers are valued.
- Valuing and encouraging the continuous professional learning of staff.

Objectives, Strategies and Activities

During the reporting period a number of improvement strategies were implemented in the three academies depending on need both at a whole school level and within individual classrooms with particular colleagues.

Colleagues from the University's Institute of Education were engaged in coaching in classrooms, leading staff meetings, and working on lesson planning, evaluation and the assessment of progress with the aim of bringing about improvements in subject knowledge and in teaching and learning. They also worked on strands of leadership and management, particularly through the mentoring of subject leaders with the purpose of increasing the impact that leaders within schools had on improving educational standards.

Work with local governing bodies also enhanced leadership and management, particularly by increasing the level of support and challenge that individual local governing bodies were able to provide to their own academy.

Academy Improvement Partners were used in each academy to work alongside Head teachers to both enhance the data analysis and quantitative evaluation in each academy and to act as a conduit for information flow between the trust, the school and the local governing body.

Partnership working between schools, either within the trust or between academies and their partner organisations remains a strength of the trust's approach. This was particularly beneficial in the only secondary academy in the trust which was able to capitalise on strong local partnerships extant through the collaborative approach of the Institute of Education.

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the trust's purpose for delivery of Public Benefit include the following:

- Promoting leadership and management by giving support and guidance to Governing Bodies and Head teachers.
- Providing support and training within the classroom and through ongoing continual professional development (CPD) to improve teaching and learning.
- Providing support for all professional services within each academy.

A bespoke improvement programme is set up for each academy and a Journey to Excellence Plan sets out how this will be delivered.



---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**STRATEGIC REPORT**

**Achievements and Performance**

**Frogmore Junior School**

Frogmore Junior School joined the trust on 1 September 2013. The predecessor school was rated as requiring Special Measures by Ofsted in 2012.

In September 2013 a new, experienced Headteacher started in post. This followed a period of over two years of interim leadership towards the end of its time as a maintained school. The transferred workforce included a number of weak teachers which impacted on both the quality of teaching and learning and leadership and management. As a consequence attainment levels at the end of Y6 dipped. 69% achieved Level 4 in Reading, 79% in writing and 69% in maths. The figure of 50% achieving combined level 4 is below the government's floor target. 29% of children achieved Level 5 in reading, 29% in writing and 19% in maths.

Progress data was equally as disappointing last year in that only 68% made two levels or more of progress in reading and 73% in maths. Progress in writing was much more encouraging and reflected the impact of intensive prioritisation by the Headteacher on writing across the school. 97% of Y6 children made two or more levels of progress in writing.

Institute of Education colleagues, as well as the trust's data lead, continue to work in the school and all the inadequate teachers have been removed from the staff. A new Academy Improvement Partner is giving intensive support and this is supplemented by support from other Head teachers in the trust. The Interim Local Governing Body (ILGB) has a new chair and has been strengthened with additional members to increase the level of support and challenge in the school. Despite its challenges the school has successfully improved its standing in the local community and this year celebrated the fact that it lost no children on transfer from the neighbouring infant's school. An investment into single year group classes is a key part of this appeal as well as the overall school improvement plan.

Subject specialists from the University's Institute of Education worked extensively on improving the teaching of maths and English. The leadership of these subjects was also supported.

All inadequate teachers left Frogmore Junior School by the end of the academic year and the recruitment of qualified good teachers had begun. The trust's HR department bought its expertise to bear and ensured that the school was fully staffed going into the new academic year.

Improving the quality of governance was a key priority in order to support and challenge the school but also to improve strategic leadership alongside the newly appointed Headteacher. An Interim Local Governing Body (ILGB) was set up with a member of the trust representing CAT and with the CEO as temporary Chair. There has recently been a successful election for a permanent Chair.

The procurement of ICT equipment was a key activity in the period. In addition two bids were placed for capital work through Hampshire County Council but unfortunately neither bid was successful.

The trust's HR department worked with the school to ensure that they understood and undertook safe recruiting against a background of safeguarding children.

The trust's PR department ensured that both schools had critical incident plans and solid media relations in place.

**Mill Chase Academy**

Mill Chase Academy joined the trust on 1 November 2013 and was led by an interim Principal until April 2014. This followed a number of local authority interim leadership arrangements that had left the school without real focus on standards. The appointment of a new Principal at Easter 2014 was a critical moment. The academy enjoyed its best ever results since records began. The unvalidated data show that 50% of the cohort achieved 5 A\*-C GCSEs [including English and Maths]. In English 62.9% obtained a grade A\*-C whilst in mathematics 64.4% obtained the

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

higher grades. This data place both subjects just above the current national averages (61.7% English, 62.4% mathematics). 70% of students made 3 or more levels of progress in English and 22% made 4 or more. In mathematics 68% made 3 or more levels of progress and 38% made 4 or more.

This data shows that the improvement processes in place are having a positive impact. Some weaker performances in History, Science and the Technologies are being addressed. University colleagues continue to support subject areas and middle leaders. A curriculum review has re-shaped the technology offer so that weaker subjects such as Graphics and Resistant Materials have been replaced by Product Design and the improvement drive through the Principal and his Academy Improvement Partner is having a positive impact across the academy.

As with Frogmore Junior School, improving the quality of governance was a key priority in order to support and challenge the school but also improve strategic leadership with the newly appointed Principal. An Interim Local Governing Body (ILGB) was set up with a member of the trust representing CAT and with the CEO as temporary Chair. The ILGB is now moving towards electing a new Chair.

A restructuring and cost saving programme commenced in June and will be completed by the end of December 2014. Twelve colleagues were affected, four in the period covered by these financial statements and eight in the subsequent period to 31 December 2014. The cost of the restructuring is £47,000 in the period covered by these financial statements and a further £72,000 in the 2014/15 financial year. This cost was made up of contractual pay in lieu of notice and statutory/contractual redundancy payments. The cost of the restructuring was met in full by the school.

The mood amongst the staff now is one of cautious optimism despite some significant challenges in terms of recruiting children into Y7.

### **Flying Bull Primary School**

Flying Bull Primary School joined the Trust on the 1 April 2014. The predecessor school was rated as good by Ofsted in 2013.

A Headteacher and governing body were in place and transferred over on conversion. The talent of these colleagues adds considerable capacity and capability to the trust team.

Attainment levels at the end of Y6 were the highest in the school's history. 91% achieved Level 4 in Reading, 87% in writing and 94% in maths. The figure of 80% achieving combined level 4 is above the national average. 39% of children achieved Level 5 in reading, 24% in writing and 37% in maths.

Progress data was equally as encouraging last year in that 86% made two levels or more of progress in reading and 95% in writing and maths.

University colleagues are providing broadly based pedagogical support in order to increase still further the levels of outstanding teaching. This is the key to pushing levels of attainment and progress even higher.

#### Key Performance Indicators

The following report is for the trust's two primary schools:

There were no Ofsted judgements in the period but the monitoring of children's progress in both academies showed encouraging signs of improvement. Children's attendance rose in both schools to levels above national average and the incidence of inadequate teaching reduced.

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

**Frogmore Junior School**

| Year 6 attainment |                   | Reading     |             |                | Writing     |             |                | Maths       |             |                | Combined       |             |
|-------------------|-------------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|----------------|-------------|
|                   |                   | 2013 Actual | 2014 Actual | 2014/15 Target | 2013 Actual | 2014 Actual | 2014/15 Target | 2013 Actual | 2014 Actual | 2014/15 Target | 2014/15 Actual | 2014 Target |
| Level 4+          | All pupils (42)   | 86          | 69          | 86             | 89          | 79          | 79             | 91          | 69          | 74             | 50             | 74          |
|                   | Pupil Premium (6) |             | 50          | 66             |             | 50          | 50             |             | 17          | 50             | 0              | 50          |
| Level 5+          | All pupils (42)   | 48          | 29          | 34             | 9           | 29          | 23             | 34          | 19          | 28             | 14             | 26          |
|                   | Pupil Premium (6) |             | 17          | 0              |             | 0           | 0              |             | 0           | 0              | 0              | 0           |

| End of KS2 Progress :<br>All pupils | Below 2 levels |      |      | 2 levels |      |      | More than 2 levels |              |      |
|-------------------------------------|----------------|------|------|----------|------|------|--------------------|--------------|------|
|                                     | 2012           | 2013 | 2014 | 2012     | 2013 | 2014 | 2012               | 2013         | 2014 |
| Reading                             | 13%            | 24%  | 32%  | 87%      | 76%  | 68%  | 18%                | 19%<br>(30%) | 11%  |
| Writing                             | 12%            | 14%  | 14%  | 78%      | 86%  | 86%  | 3%                 | 2%           | 11%  |
| Maths                               | 32%            | 19%  | 35%  | 68%      | 81%  | 65%  | 5%                 | 10%          | 8%   |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

**Flying Bull Academy**

| Year 6 attainment |                    | Reading     |             |                | Writing     |             |                | Maths       |             |                | Combined    |             |                |
|-------------------|--------------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
|                   |                    | 2013 Actual | 2014 Actual | 2014/15 Target | 2013 Actual | 2014 Actual | 2014/15 Target | 2013 Actual | 2014 Actual | 2014/15 Target | 2013 Actual | 2014 Actual | 2014/15 Target |
| Level 4+          | All pupils (46)    | 80          | 91          | 96             | 71          | 87          | 91             | 80          | 94          | 98             | 63          | 80          | 90             |
|                   | Pupil Premium (29) |             | 90          | 90             |             | 86          | 83             |             | 93          | 97             |             | 79          | 93             |
| Level 5+          | All pupils (46)    | 28          | 39          | 64             | 12          | 24          | 30             | 40          | 37          | 60             | 10          | 24          | 30             |
|                   | Pupil Premium (29) |             | 38          | 83             |             | 21          | 31             |             | 35          | 69             |             | 10          | 28             |

| End of KS2 Progress :<br>All pupils | Below 2 levels |      |      | 2 levels + |      |      | More than 2 levels |      |      |
|-------------------------------------|----------------|------|------|------------|------|------|--------------------|------|------|
|                                     | 2012           | 2013 | 2014 | 2012       | 2013 | 2014 | 2012               | 2013 | 2014 |
| Reading                             | 23%            | 14%  | 14%  | 77%        | 86%  | 86%  | 32%                | 37%  | 18%  |
| Writing                             | 23%            | 8%   | 5%   | 77%        | 92%  | 95%  | 19%                | 27%  | 36%  |
| Maths                               | 23%            | 14%  | 5%   | 77%        | 86%  | 95%  | 10%                | 29%  | 18%  |

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

The following results were achieved by our Secondary academy:

**Mill Chase Academy**

| Subject                         | %A*/A | %A*-C |
|---------------------------------|-------|-------|
| GCSE English                    | 11    | 67    |
| GCSE English Literature         | 14    | 62    |
| GCSE Mathematics                | 17    | 66    |
| GCSE Core Science               | 0     | 54    |
| GCSE Additional Science         | 2     | 43    |
| GCSE Triple Science – Biology   | 11    | 82    |
| GCSE Triple Science – Chemistry | 19    | 85    |
| GCSE Triple Science – Physics   | 15    | 85    |
| GCSE Computing                  | 6     | 33    |
| GCSE Drama                      | 8     | 92    |
| GCSE Food Technology            | 29    | 77    |
| GCSE French                     | 17    | 92    |
| GCSE Geography                  | 19    | 59    |
| GCSE Graphic Products           | 0     | 30    |
| GCSE History                    | 6     | 27    |
| GCSE Music                      | 0     | 50    |
| GCSE Physical Education         | 17    | 89    |
| GCSE Philosophy                 | 55    | 100   |
| GCSE Photography                | 21    | 84    |
| GCSE Resistant Materials        | 11    | 44    |
| BTEC Art                        | 41    | 100   |
| BTEC Business                   | 59    | 100   |
| BTEC Construction               | 0     | 100   |
| BTEC Hair                       | 0     | 100   |
| BTEC Performing Arts            | 25    | 100   |
| BTEC Sport                      | 33    | 100   |
| BTEC Travel & Tourism           | 44    | 100   |
| INGOT Computing                 | 0     | 100   |

---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2014

---

#### *Going Concern*

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

The trustees have relied upon the fact that sufficient liquidity exists within the trust to enable it to meet its liabilities as they fall due within the next 12 months.

The CAT Board will consider a detailed Business Plan which will set out the growth plan for the trust over the next ten years, the investment required in all of our academies, especially those previously in 'special measures', and the top-slice income which will be generated from our academies. If the CAT Board considers that support is required from the University it will make a formal request to the University Board of Governors at its meeting in April 2015.

At the time of writing this report the trust was still waiting for permission from the Secretary of State to enter into a loan agreement with the University.

#### **Financial Review**

This report is for the first accounting period for the University of Chichester Academy Trust and covers the period from incorporation on 3 July 2013 to 31 August 2014.

The financial results also include start-up costs incurred by the University prior to July 2013 and re-charged to the trust upon incorporation; these costs totalled £261,000.

The results for the period show that the trust and its three academies made a combined surplus of £20,200,000 for the period. This included net assets transferred from the local authorities, which are shown as income, totalling £21,763,000 and a depreciation charge of £505,000.

The deficit made by the trust (CAT central) was in line with budget and represented the central costs incurred in setting up the trust and supporting its academies throughout the period less the income generated from the three academies in the form of a top-slice charge. The top-slice charge is based on the amount of school improvement support that the academy needs and is negotiated at the point of conversion with the Local Governing Body.

The costs incurred by the trust comprise staff costs to support school improvement, leadership, management and professional services (Finance, HR, Estates, IT, Marketing and Health and Safety) together with legal and other professional costs associated with the set-up of each academy. The trust received grant income from the EFA to cover the start-up costs for each academy and some school improvement costs. Staff were also involved in setting up the CAT central infrastructure to manage and support recruitment activity and to ensure statutory compliance.

The small surplus made by Frogmore Junior School was in line with budget.

The deficit made by Mill Chase Academy was in line with forecasts but is unsustainable despite the surplus funds brought forward from the Local Authority. The restructuring programme will bring the results back into surplus in 2014/15 but falling pupil rolls mean that further deficits are forecast for 2015/16 and 2016/17. The academy has sufficient reserves to meet this shortfall.

Flying Bull Academy underwent a substantial refurbishment programme prior to conversion which was funded by Portsmouth City Council at a cost of over £3m. The academy decided to invest some of its surplus funds brought forward from the Local Authority in some further internal refurbishment to enhance this project. The deficit was in line with budget.

The principal financial policies adopted during the year were:

- Accounting policies

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

- Risk Policy
- Related parties and conflicts of interest policy
- Reserves policy
- Procurement policy
- Expenses policy
- Policy on receiving gifts

Reserves Policy

The trustees have considered the purposes for which the trust needs to hold reserves. They believe that sufficient funds need to be held to enable the trust and its academies to manage their day to day operations and to meet their liabilities as they fall due.

The trustees believe that the level of reserves should be sufficient to:

- Enable the academies to manage their central day to day operations and absorb any forecast deficits due to falling rolls over a period of three years.
- Provide sufficient working capital to enable the trust to manage its central day to day operations.

The level of reserves to meet total academy requirements should be between 2 and 4 months' worth of academy expenditure.

The level of reserves to meet the trust's central requirements should be between £150,000 and £275,000.

This reserves policy will be reviewed by the trustees at least annually.

At 31 August 2014 the total funds comprised:

|                              | £'000s        |
|------------------------------|---------------|
| Unrestricted                 | 25            |
| Restricted fixed asset funds | 20743         |
| Restricted general funds:    |               |
| GAG                          | 193           |
| Pension reserve              | (761)         |
|                              | <u>20,200</u> |

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 28. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the trustees.

Investment Policy

The trust does not hold any investments but it does hold cash balances inherited from the Local Authority from its schools. These are held in interest earning deposit accounts in the name of the trust.

**Principal Risks and Uncertainties**

The trustees have considered the principal risks to which the trust is exposed and have put measures in place to aim

---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2014

---

to mitigate those risks. A risk policy is in place and procedures exist to identify and manage risks.

The principal risks facing the trust are:

- Performance risk – the principal performance risks, which also impact on reputation, are that the trust does not improve its academies at a fast enough rate and that they are judged negatively by the DfE and by OFSTED. These risks are mitigated by ensuring that Journey to Excellence plans are put in place promptly and monitored frequently, that data is reported and assessed regularly, and that an appropriate programme of support is implemented quickly.
- Reputational risk – the principal reputational risk is that changes to the University's Institute of Education or to CAT's internal staffing hamper delivery of school improvement services. This risk is mitigated by ensuring close co-operation between the Institute of Education and the CEO of CAT. A further risk is that governance arrangements in the academies are judged negatively by OFSTED. This risk has been mitigated by appointing a lead consultant on governance to work alongside a CAT Link Officer within each academy to train, support and quality assure the Local Governing Body.
- Financial Risk – The principal financial risks are that the academies do not improve at a fast enough rate (and pupil numbers reduce) and that the costs of supporting the school improvement activities in our academies are not covered by the school improvement grants and the central top-slice. The risks presented here are mitigated by investing resources and quality assuring school improvement services so that academies improve as quickly as possible, and focussing our own resources on priority areas so that the top-slice covers the immediate priorities. A further financial risk is that the due diligence process does not pick up an issue which will impose liabilities on the trustees. This is mitigated by ensuring that the due diligence process is robust and that the lawyers are involved in the conversion process from an early stage.
- Personnel risk – The principal personnel risk is that recruitment and retention strategies are ineffective and key staff leave. This is mitigated by putting secondment arrangements in place with the University and by recruiting a talent bank of individuals who can fill any vacancies quickly.

The risk register is reviewed regularly by the Strategic Team and individual risk 'owners' are charged with monitoring existing risks and identifying new ones. The risk register is reviewed at each Board meeting.

The trustees accept that managed risk is an inevitable part of its operations, especially during the current period when the trust is still in start-up mode, but maintains an objective not to run unacceptable levels of risk in any area.

#### Plans for Future Periods

The University of Chichester Academy Trust has an aspirational ten year growth plan with an aim to deliver excellence in education in 30-40 schools across the University's partnership area. The vision and objectives express the intention to set up an eclectic, cross-phase family of schools with the common aim of continuous school improvement through challenge, collaboration and support. The trust aims to ensure that its academies are at the heart of their local community, nurturing and nurtured by positive local and strategic partnerships with parents and the local community, other schools, providers and local, regional and national stakeholders.

The experience gained during the first year has changed the focus of the trust to slower and more strategically managed growth with the capacity to develop and deliver educational excellence through the synergy created by the academies working together and with the newly formed Institute of Education. This is a very exciting development and has significant potential and a real opportunity to drive and engage in system change using the rich teacher training heritage of the University, the wide partnership of schools engaged with the University and the commitment of all to educational excellence and to raising aspirations.

#### Phase 1 - The set-up phase 2012- Sept 2014

Phase 1 was the set-up phase, running from 2012 until September 2014, where the trust established secure business processes, recruited staff, established the Board of Directors, recruited five schools and opened one new academy.

The Trust prepared each academy for operating in the new independent world, with a particular focus on TUPE and HR issues and Finance issues, and established Local Governing Bodies within each academy.

The trust has been able to benefit from a high level of support and expertise provided by the University during its set-



---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2014

---

up phase and has established sound structures and a high quality cadre of staff who will take the trust securely into the future. A strong ethos of partnership has been developed and a strong shared commitment to providing excellence is at the heart of our business. Sound financial management has been established with a network of support provided for all academies. The TUPE -Transfer of Undertakings (Protection of Employment) – transfer process has been managed appropriately with 183 (FTE) staff now being employed directly by the trust. In the period to September 2014 four head teachers have been appointed and inducted and four interim local Governing Bodies have been established and two schools have transferred with existing head teachers and well-functioning governing bodies. A new school has also been built and opened.

#### **Phase 2 - The consolidation phase Sept 2014-2015**

During Phase 2 CAT will have six schools open as academies. This phase will be a period of consolidation as the Trust builds its network and school-to-school support capacity and develops secure process for all aspects of business services. CAT academies come from three local authority areas and there is the opportunity to learn from best practice in all these areas to build the most coherent and secure processes across the group. For some services the academies will continue to purchase from their predecessor Local Authority however in other areas the three models currently being used will be consolidated into a CAT process. Phase 2 will also be the opportunity for a stronger focus on school improvement. The Trust will develop a differentiated and targeted offer for its schools. The CAT school improvement systems and processes will be refined and developed, informed by successful impact within Trust schools. The Trust will also begin to harness the University's relationships with schools and teachers to recruit high calibre teaching staff into CAT academies. During this period the Trust will also begin targeted academy recruitment to secure some good and outstanding schools with a focus on building the capacity of the trust to develop a self-supporting network of schools providing peer support to each other reducing the reliance on University services as part of core delivery.

#### **Phase 3 - Targeted growth and development phase 2016-2019**

During Phase 3 recruitment will be targeted to good and outstanding schools to build the capacity of the Trust. All recruitment will be in areas within close proximity to current schools. The intention is ultimately to build five or six hubs of schools where the distance between schools is not more than 30 minutes to enable services to be shared and networks of local support to be developed. As the hubs develop we would seek to employ senior business managers across a group of schools, locally based HR business managers and lead schools for different aspects of school improvement support. These lead staff will all work with the core service provision provide by CAT and the University to enhance the curriculum and professional development of all. The University will also have fully established its Institute of Education and a broader offer of school improvement services, school based Curriculum and Professional Development and educational research. CAT will work with the Institute of Education in a way which adds benefit to both endeavours.

#### **Phase 4 - Hub delivery phase 2020 - 2022**

During Phase 4 it is expected that the academy hubs will become more self-supporting and self-improving. As they become more confident and dynamic there would be a stronger collective responses to new government initiatives and joint activity focused on business and school improvement services and curriculum innovation. The University of Chichester Academy Trust will be a key player in the system of reform of education in this country and an expert in school improvement and curriculum delivery.

#### **Funds held as Custodian Trustee on behalf of others**

At 31 August 2014 the trust held funds of £45,000 granted by the Education Funding Agency to Kingsham Primary School which became part of the trust on 1 September 2014.

#### **Auditor**

In so far as the trustees are aware:

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

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

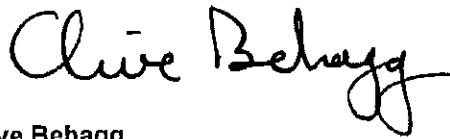
---

TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 December 2014 and signed on the board's behalf by



Clive Behagg

Chair of Trustees

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the University of Chichester Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| <b>Trustee</b>                       | <b>Meetings attended</b> | <b>Out of a possible</b> |
|--------------------------------------|--------------------------|--------------------------|
| Clive Behagg (Chair)                 | 6                        | 6                        |
| Philip Robinson                      | 6                        | 6                        |
| Ian Child                            | 6                        | 6                        |
| Alan McMurdo (Director of Academies) | 6                        | 6                        |
| Joe Vitagliano                       | 2                        | 4                        |
| Sue Patrick                          | 3                        | 3                        |
| Michael Grant                        | 2                        | 3                        |
| Richard Edwards                      | 3                        | 3                        |
| Graham Olway                         | 1                        | 2                        |
| Richard Martin                       | 0                        | 1                        |

As this is the first year of operation the Board has recruited trustees gradually in order to ensure that it has the right mix of skills and experience. Five vacancies still remain and these will be filled as suitable candidates are identified.

Alan McMurdo resigned as Director of Academies with effect from 30 November 2014 and has been replaced by Sue Samson as Interim Chief Executive who has been appointed with effect from 1 December 2014.

Sue Patrick offered her resignation from the Board in November 2014 and has been replaced by Deamonn Hewett-Dale.

The trust has not yet carried out a self-evaluation of governance.

The Finance and Audit Committee is a sub-committee of the main board of trustees and met for the first time in November 2014. Its purpose is to assist the Board in fulfilling its statutory responsibilities as laid out in the Master Funding Agreement and the Academies Financial Handbook.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

Membership of the Finance and Audit Committee is as follows:

Philip Robinson  
Ian Child  
Richard Edwards  
Richard Martin  
Sue Samson (Interim Chief Executive and Accounting Officer)

| <b>Trustee</b>  | <b>Meetings attended</b> | <b>Out of a possible</b> |
|---|--------------------------|--------------------------|
| Philip Robinson   | 1                        | 1                        |
| Ian Child   | 0                        | 1                        |
| Richard Edwards   | 0                        | 1                        |
| Richard Martin  | 0                        | 1                        |
| Sue Samson (Interim Chief Executive and Accounting Officer) | 1                        | 1                        |

Helen Turner attends the Finance and Audit Committee in her capacity as Director of Financial and Commercial Services and Principal Finance Officer.

For the period to October 2014 the Board undertook the duties now delegated to the Finance and Audit Committee.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The trust inherited policies, systems and controls from the schools that it took over and it has been working with them to ensure that the controls are enhanced or replaced in order to meet the requirements of the trust.

The system of internal control has been in place in the University of Chichester Academy Trust for the period 3 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

The internal controls and procedures are set out in the CAT Financial Procedures Manual.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 3 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and is an ongoing process.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed against budgets and forecasts and agreed by the board of trustees;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and appointed MHA MacIntyre Hudson to carry out a Supplementary Work Programme to assist the trustees with its management of risk and checking of financial controls through performing a supplementary programme of work. The Supplementary Work Programme was carried out by a different team and a different partner to the external team/partner.

This supplementary work programme was carried out in June 2014 and a Report of Findings and Recommendations was reviewed by the Board in September 2014 and by the Finance and Audit Committee in November 2014. At the Finance and Audit Committee meeting it was noted that out of the 35 recommendations made in the report 25 had been addressed and the rest were on track to be delivered by the end of the calendar year. The report will be kept under continual review by the Finance and Audit Committee.

The auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems and how they operate in its individual academies. On an annual basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

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

- the work of MHA MacIntyre Hudson, carrying out a supplementary work programme.
- the work of MHA MacIntyre Hudson as external auditor.
- the financial management and governance self-assessment process.
- the work of the Director of Financial and Commercial Services who has responsibility for the development and maintenance of the internal control framework.

The Chief Executive has sought assurances from her predecessor as Accounting Officer, the Director of Academies (Alan McMurdo) that he is able to give assurance for the period until she became Accounting Officer on 1 December 2014.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the auditors and a plan to address weaknesses and further development of policies and procedures to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 23 December 2014 and signed on its behalf by:



**Clive Behagg**

Chair of Trustees



**Sue Samson**

Accounting Officer

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

As Accounting Officer of the University of Chichester (Multi) Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding under the funding agreement in place between the multi academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of 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.

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 the EFA.



**Sue Samson**

**Accounting Officer**

**23 December 2014**

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 EFA/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 23 December 2014 and signed on its behalf by:



**Clive Behagg**

**Chair of Trustees**



---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF  
TRUSTEES OF UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

We have audited the financial statements of the University of Chichester (Multi) Academy Trust for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Responsibilities of the Trustees (set out on page 23), the trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources for the period 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 and the Academies Accounts Direction 2014 issued by the Education Funding Agency.

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

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF  
TRUSTEES OF UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

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

We have nothing to report in respect of the following matters where 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.

*MHA MacIntyre Hudson*

SUDHIR SINGH FCA (Senior Statutory Auditor)

For and on behalf of

MHA MACINTYRE HUDSON

Chartered Accountants & Statutory Auditors

New Bridge Street

30-34 New Bridge Street

London

EC4V 6BJ

*21 December 2014*

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

In accordance with the terms of our engagement letter dated 23 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the University of Chichester (Multi) Academy Trust during the period 3<sup>rd</sup> July 2013 to 31<sup>st</sup> August 2014 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 The University of Chichester (Multi) Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the University of Chichester (Multi) Academy Trust and EFA 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 the University of Chichester (Multi) Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The University of Chichester (Multi) Academy Trust's accounting officer and the reporting accountant.**

The accounting officer is responsible, under the requirements of The University of Chichester (Multi) Academy Trust's funding agreement with the Secretary of State for education dated 23 August 2013 and the Academies Financial Handbook, extant from 1<sup>st</sup> September 2013, for ensuring that expenditure disbursed and income received is applied for the purpose 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 2013- 2014. We report to you whether anything has come to our attention carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the periods 3<sup>rd</sup> July 2013 to 31<sup>st</sup> August 2014 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 2013-2014 issued by EFA. 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.

**Independent Reporting Accountant's Assurance report on regularity to the University of Chichester (Multi) Academy Trust and the Education Funding Agency.**

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 academy trust's income and expenditure.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Trust Board and other evidence made available to us, relevant to our consideration of regularity.
- Review of the objectives and activities of the trust with reference to the income streams and other information available to us as auditors of the trust.
- Testing of a sample of payroll payments to staff.
- Testing a sample of payments to suppliers and other third parties.
- Testing a sample of grants received and other income streams.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 3<sup>rd</sup> July 2013 to 31<sup>st</sup> August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**  
**Chartered Accountants**  
**New Bridge Street House**  
**30 – 34 New Bridge Street**  
**London**  
**EC4V 6BJ**  
**Date** *27 December 2014*

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2014  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF  
RECOGNISED GAINS AND LOSSES)**

|  | Notes    | Unrestricted<br>Funds<br>£'000s | Restricted<br>General<br>Funds<br>£'000s | Restricted<br>Fixed Asset<br>Funds<br>£'000s | Total<br>2014<br>£'000s |
|--|----------|---------------------------------|--|--|-------------------------|
| <b>Incoming Resources</b>                                      |          |                                 |  |  |                         |
| <i>Incoming resources from generated funds:</i>                |          |                                 |  |  |                         |
| <b>Voluntary income</b>  | <b>3</b> | <b>62</b>                       |  |  | 62                      |
| Voluntary income - transfer from local authority on conversion |          |                                 | 718                                      | 21045  | 21763                   |
| Activities for generating funds                                | 4        | 121                             |  |  | 121                     |
| <i>Incoming resources from charitable activities:</i>          |          |                                 |  |  |                         |
| Funding for the academy trust's educational operations         |          |                                 | 4975                                     | 29   | 5004                    |
| Total incoming resources                                       |          | 183                             | 5693                                     | 21074  | 26950                   |
| <b>Resources Expended</b>                                      |          |                                 |  |  |                         |
| <i>Cost of generating funds:</i>                               |          |                                 |  |  |                         |
| Costs of generating voluntary income                           |          | 158                             |  |  | 158                     |
| <i>Charitable activities</i>                                   |          |                                 |  |  |                         |
| Academy trust educational operations                           | 8        |                                 | 5859                                     | 505  | 6364                    |
| Governance costs   | 9        |                                 | 135                                      |  | 135                     |
| Total resources expended                                       |          | 158                             | 5994                                     | 505  | 6657                    |
| Net incoming/(outgoing) resources before transfers             |          | 25                              | (301)                                    | 20569  | 20293                   |
| Gross transfers between funds                                  |          |                                 | (174)                                    | 174  |                         |
| Net income/(expenditure) for the year                          |          | 25                              | (475)                                    | 20743  | 20293                   |
| Other recognised gains and losses                              |          |                                 |  |  |                         |
| Actuarial (losses) on defined benefit pension schemes          |          |                                 | (93)                                     |  | (93)                    |
| Net movement in funds  |          | 25                              | (568)                                    | 20743  | 20200                   |
| Reconciliation of funds  |          |                                 |  |  |                         |
| Total funds brought forward at 3 July 2013                     |          | -                               | -  | -  | -                       |
| Total funds carried forward at 31 August 2014                  |          | 25                              | (568)                                    | 20743  | 20200                   |

All of the trust's activities derive from acquisitions in the current financial period.

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

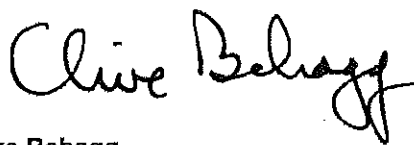
---

**BALANCE SHEET**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

|  | Notes | 2014<br>£'000s | 2014<br>£'000s      |
|--|-------|----------------|---------------------|
| <b>Fixed Assets</b>                                  |       |                |                     |
| Tangible Assets                                      | 14    |                | 20713               |
| <b>Current Assets</b>                                |       |                |                     |
| Debtors  | 15    | 384            |                     |
| Cash at bank and in hand                             |       | <u>1619</u>    |                     |
|  |       | 2003           |                     |
| <b>Liabilities</b>                                   |       |                |                     |
| Creditors: amounts falling due within one year       | 16    | <u>1755</u>    |                     |
| Net current assets                                   |       |                | 248                 |
| Total assets less current liabilities                |       |                | 20961               |
| <b>Total assets less liabilities</b>                 |       |                | <b>20961</b>        |
| Pension scheme liability                             | 28    |                | 761                 |
| <b>Net assets including pension scheme liability</b> |       |                | <u><b>20200</b></u> |
| <b>Funds of the academy trust</b>                    | 17    |                |                     |
| <b>Restricted Funds</b>                              |       |                |                     |
| Fixed Asset fund                                     |       |                | 20743               |
| General fund   |       |                | 193                 |
| Pension reserve                                      |       |                | (761)               |
| <b>Unrestricted Funds</b>                            |       |                |                     |
| General fund   |       |                | <u>25</u>           |
| <b>Total funds</b>                                   |       |                | <u><b>20200</b></u> |

The financial statements on pages 28 - 62 were approved by the trustees and authorised for issue on 23 December 2014 and are signed on their behalf by:



Clive Behagg  
Chair of Trustees

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

|   | Notes | 2014<br>£'000s |
|---|-------|----------------|
| Net cash inflow from operating activities       | 21    | 408            |
| Returns on investments and servicing of finance |       | NIL            |
| Cash transferred on conversion                  |       | 1356           |
| Capital expenditure                             | 23    | (145)          |
| Increase in cash in the year                    |       | 1619           |
| Net funds at 3 July 2013                        |       | NIL            |
| Net funds at 31 August 2014                     | 24    | <u>1619</u>    |

All of the cash flows are derived from acquisitions in the current financial period with the exception of £45,000 which was received on behalf of Kingsham Primary School which became part of the trust on 1 September 2014; these funds are held by the trust as custodian trustee as at 31 August 2014.

---

## UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

#### 1 Accounting Policies

##### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### Going Concern

The trustees have considered whether the company is a going concern and, having reviewed all the information available to them, have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees have made this assessment in respect of a period of one year from the date of approval of the financial statements.

##### Incoming Resources

All incoming resources are recognised when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

###### Grants Receivable:

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### Donations

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

##### Other Income

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

##### Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have



---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

been allocated on a basis consistent with the use of resources, with staff costs allocated on the basis of time spent, and indirect costs following the same basis of apportionment.

**Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable Activities**

These are costs incurred on the academy trust's educational operations.

**Governance Costs**

These include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Unless otherwise stated in the accounting policies fixed assets are depreciated on a straight-line basis over the expected useful economic life of the asset, as follows:

Freehold buildings estimated remaining useful life as determined by the VOA or other valuer

Long leasehold buildings lease term or estimated useful remaining life if less

Furniture 4 years

Computer equipment and licences 5 years

A full year's depreciation is charged in the year of purchase/acquisition.

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.

**Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value where the total value of such items exceeds £5,000.

**Taxation**

The University of Chichester 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, CAT is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Actuarial gains and losses are recognised immediately in other gains and losses.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Education Funding Agency/Department for Education/local authority where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

**Conversion of academies**

The conversion of the three state maintained schools to the multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition method.

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**2 General Annual Grant**

The Supplemental Funding Agreements did not contain any restrictions on the amount of General Annual Grant that could be carried forward.

| <b>3 Voluntary income</b>                    | <b>Unrestricted<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>General<br/>Funds £'000s</b> | <b>Restricted<br/>Fixed Asset<br/>Funds<br/>£'000s</b> | <b>Total<br/>Funds<br/>£'000s</b> |
|--|--|--|--|-----------------------------------|
| Transfer from Local Authority on conversion: |  |  |  |                                   |
| Fixed assets                                 | -  | -  | 21045  | 21045                             |
| Budget surplus on Local Authority funds      | -  | 1356   | -  | 1356                              |
| Defined benefit pension scheme deficit       | -  | (638)  | -  | (638)                             |
| Donations                                    | 16                                       | -  | -  | 16                                |
| School trip voluntary donations              | 36                                       | -  | -  | 36                                |
| Music services donations                     | 10                                       | -  | -  | 10                                |
|  | <b>62</b>                                | <b>718</b>                                     | <b>21045</b>   | <b>21825</b>                      |
| <b>4 Activities for Generating Funds</b>     |  |  |  |                                   |
| Lettings income                              | 83                                       | -  | -  | 83                                |
| Catering income                              | 24                                       | -  | -  | 24                                |
| Uniform sales                                | 5  | -  | -  | 5                                 |
| Sales of goods and services                  | 9  | -  | -  | 9                                 |
|  | <b>121</b>                               | <b>-</b>                                       | <b>-</b>   | <b>121</b>                        |
| <b>5 Investment income</b>                   |  |  |  |                                   |
| Bank interest                                | -  | -  | -  | -                                 |
|  | <b>-</b>                                 | <b>-</b>                                       | <b>-</b>   | <b>-</b>                          |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

| 6 Funding for the Academy Trust's Educational Operations       | Unrestricted Funds<br>£'000s | Restricted General Funds<br>£'000s | Restricted Fixed Asset Funds<br>£'000s | Total Funds<br>£'000s |
|--|------------------------------|------------------------------------|--|-----------------------|
| <b>DFE/EFA Revenue Grants</b>                                  |                              |                                    |  |                       |
| General Annual Grant   | -                            | 4300                               | -                                      | 4300                  |
| Pupil Premium  | -                            | 54                                 | -                                      | 54                    |
| Start-up grants  | -                            | 250                                | -                                      | 250                   |
| School Improvement Grants                                      | -                            | 24                                 | -                                      | 24                    |
| Other EFA Grants excluding capital                             | -                            | 123                                | -                                      | 123                   |
| Other Government Grants excluding Capital                      | -                            | 65                                 | -                                      | 65                    |
| Capital grants   | -                            | -                                  | 29                                     | 29                    |
| <b>Other Government Grants</b>                                 |                              |                                    |  |                       |
| Special Educational Needs funding                              | -                            | 89                                 | -                                      | 89                    |
| <b>Other income for Academy Trust's educational activities</b> |                              |                                    |  |                       |
| Provision of curriculum services to other schools              | -                            | 70                                 | -                                      | 70                    |
|  | -                            | 4975                               | 29                                     | 5004                  |

**7 Resources Expended**

|                                      | Note | Staff Costs<br>£'000s | Premises Costs<br>£'000s | Other Costs<br>£'000s | Total<br>£'000s |
|--------------------------------------|------|-----------------------|--------------------------|-----------------------|-----------------|
| Cost of generating funds:            |      |                       |                          |                       |                 |
| Cost of Generating voluntary income: |      | -                     | -                        | 67                    | 67              |
| Fundraising trading                  |      | -                     | -                        | 91                    | 91              |
| Academy's Educational Activities:    |      |                       |                          |                       |                 |
| Direct costs                         |      | 3486                  | -                        | 170                   | 3656            |
| Allocated support costs              |      | 1020                  | 423                      | 1265                  | 2708            |
|                                      |      | 4506                  | 423                      | 1593                  | 6522            |
| Governance costs                     | 9    | -                     | -                        | 135                   | 135             |
|                                      |      | -                     | -                        | 135                   | 135             |
| Total resources expended             |      | 4506                  | 423                      | 1728                  | 6657            |

There were no ex gratia/compensation payments.

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

7 Resources Expended (continued)

|  | 2014<br>£'000s |
|--|----------------|
| Outgoing resources for the year include: |                |
| Operating leases:                        |                |
| Photocopier/printer leases               | 5              |
| Minibus leases                           | 4              |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**8 Total Resources Expended**

|   | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill Chase<br/>Academy<br/>£'000s</b> | <b>Flying Bull<br/>Academy<br/>£'000s</b> | <b>CAT<br/>£'000s</b> | <b>TOTAL<br/>£</b> |
|---|--|--|---|-----------------------|--------------------|
| Direct costs - educational operations:  |  |  |   |                       |                    |
| Teaching and educational support staff  | 486  | 2092                                     | 653                                       | 255                   | 3486               |
| Technology costs                        | 7  | 78                                       | 6   | 32                    | 123                |
| Educational supplies                    | 12   | 35                                       | 23  | -                     | 70                 |
| Examination fees                        | -  | 32                                       | -   | -                     | 32                 |
| Staff Development                       | 9  | 19                                       | 5   | -                     | 33                 |
| Educational consultancy                 | 10   | 5  | -   | 7                     | 22                 |
| Other direct costs                      | 4  | 39                                       | 5   | 1                     | 49                 |
| <b>Total direct costs</b>               | <b>528</b>                                       | <b>2300</b>                              | <b>692</b>                                | <b>295</b>            | <b>3815</b>        |
| Support costs - educational operations: |  |  |   |                       |                    |
| Support staff costs                     | 68   | 250                                      | 210                                       | 492                   | 1020               |
| Depreciation                            | 68   | 395                                      | 42  | -                     | 505                |
| Technology costs                        | -  | 14                                       | 14  | 1                     | 29                 |
| Recruitment and support                 | 1  | 20                                       | -   | 16                    | 37                 |
| Maintenance of premises and equipment   | 20   | 92                                       | 15  | 5                     | 132                |
| Cleaning                                | 16   | 66                                       | 2   | 1                     | 85                 |
| Rent and rates                          | 7  | 15                                       | 5   | 6                     | 33                 |
| Energy costs                            | 16   | 85                                       | 6   | -                     | 107                |
| Insurance                               | 11   | 37                                       | 13  | 2                     | 63                 |
| Security and transport                  | 2  | -  | 1   | -                     | 3                  |
| Catering                                | 23   | 28                                       | 26  | -                     | 77                 |
| Bank interest and charges               | 1  | -  | -   | 1                     | 2                  |
| Governance                              | 1  | 1  | -   | 133                   | 135                |
| Other support costs                     | 109  | 162                                      | 114                                       | 229                   | 614                |
| <b>Total support costs</b>              | <b>343</b>                                       | <b>1165</b>                              | <b>448</b>                                | <b>886</b>            | <b>2842</b>        |
| <b>Total direct and support costs</b>   | <b>871</b>                                       | <b>3465</b>                              | <b>1140</b>                               | <b>1181</b>           | <b>6657</b>        |

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

9 Governance Costs

|                               | Frogmore<br>Junior<br>School<br>£'000s | Mill Chase<br>Academy<br>£'000s | Flying Bull<br>Academy<br>£'000s | CAT<br>£'000s | TOTAL<br>£ |
|-------------------------------|--|---------------------------------|----------------------------------|---------------|------------|
| Legal and professional fees   | -                                      | -                               | -                                | 91            | 91         |
| Bank charges                  | 1                                      | -                               | -                                | 1             | 2          |
| Auditors' remuneration:       |  |                                 |                                  |               |            |
| Audit of financial statements | -                                      | -                               | -                                | 21            | 21         |
| Other accountancy costs       | -                                      | -                               | -                                | 21            | 21         |
|                               | 1                                      | -                               | -                                | 134           | 135        |



---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**10 Staff**

**a. Staff costs**

|                                     | <b>2014</b><br><b>£'000s</b> |
|-------------------------------------|------------------------------|
| Staff costs during the period were: |                              |
| Wages and salaries                  | 3683                         |
| Social security costs               | 194                          |
| Pension costs                       | 374                          |
| Supply staff costs                  | 171                          |
| Staff restructuring costs           | 84                           |
|                                     | <hr/> 4506                   |

**b. Staff severance payments**

Staff severance payments totalling £84,104 were made by the multi academy trust during the year. All staff severance payments were statutory and/or contractual.

Flying Bull Academy

A programme of voluntary redundancy had been started by Portsmouth City Council prior to the school becoming an academy. The two members of staff who had opted to take voluntary redundancy had received their redundancy payments prior to conversion but as at 31 August the academy was still waiting for an invoice from Portsmouth City Council to cover the cost of the early payment of pensions. This cost has been calculated at £36,902 being £22,645 for one member of staff and £14,257 for the other, this cost was borne by the school.

Mill Chase Academy

Mill Chase Academy initiated a consultation on a restructuring programme in June 2014 in response to continued falling pupil rolls which had seen the size of the school reduce from 591 in 2012/13 to a forecast number of 465 in 2015/16. The school had inherited substantial reserves from the Local Authority but with annual deficits forecast to be close to £400,000 for two of the next three years it was considered prudent to enter into a restructuring programme to reduce costs. A full consultation was undertaken and four posts were lost during the period covered by these financial statements. The restructuring programme continued until December 2014 and eight further posts were lost during that period.

During the period covered by these financial statements there were three payments made to individuals to cover pay in lieu of notice and a settlement figure. The three payments were £27,806, £16,279 and £3,117. This cost was borne by the school. The costs incurred after 31 August will also be met by the school.

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

**10 Staff (continued)**

**c. Staff Numbers**

The average number of persons employed by the trust during the year expressed as a full time equivalent (FTE) was as follows:

|                              | <b>2014</b> |
|------------------------------|-------------|
|                              | <b>FTE</b>  |
| <i>Charitable activities</i> |             |
| Teachers                     | 132         |
| Admin and support            | 35          |
| Management                   | 16          |

**d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

|                     | <b>Number</b> |
|---------------------|---------------|
| £60,000 - £65,000   | 4             |
| £70,000 - £75,000   | 1             |
| £75,000 - £80,000   | 1             |
| £85,000 - £90,000   | 1             |
| £100,000 - £105,000 | 2             |
| £105,000 - £110,000 | 1             |

Nine of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 employer's pension contributions for these staff amounted to £82,010. The other employee participated in the Local Government Pension Scheme; employer's pension contributions in this respect amounted to £6,924.

The disclosure above include staff seconded from the University of Chichester.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**11 Central Services**

The academy trust has provided the following central services to its academies during the period:

- School improvement: leadership and management support
- School improvement: pupil progress and achievement support
- Continuing professional development and training; building staff capacity
- Professional services support as follows:
  - Finance
  - Human Resources
  - Estates
  - IT admin
  - Marketing, communications and media support
  - Health and safety

The trust charges a top-slice based on the academy's OFSTED category as follows:

|                      |       |
|----------------------|-------|
| Outstanding          | 2%    |
| Good                 | 3.50% |
| Requires improvement | 5%    |
| Serious weaknesses   | 7%    |
| Special Measures     | 8.50% |

The top-slice is put towards the costs of school improvement in all the areas listed above. These services are delivered by the CAT central team, academy improvement partners commissioned by CAT and the University's Institute of Education.

The actual amounts charged during the period were as follows:

|                        | <b>2014</b><br><b>£'000s</b> |
|------------------------|------------------------------|
| Frogmore Junior School | 64                           |
| Mill Chase Academy     | 220                          |
| Flying Bull Academy    | 26                           |
|                        | <hr/> 310                    |

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

11 **Central Services (continued)**

The trust's central costs, excluding those spent on start-up costs for which it received funding, were £757,764, hence there was a shortfall on the provision of central services of £447,764. This has been financed by the University and re-charged to the trust.

12 **Related party transactions - Trustees' Remuneration and Expenses**

The Director of Academies and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Director of Academies and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the trust in relation to their role as trustee. The value of individual trustees' remuneration, including pension and social security payments, was as follows:

|                 |                     |
|-----------------|---------------------|
| Alan McMurdo    | £100,000 - £105,000 |
| Richard Edwards | £40,000 - £45,000   |
| Sue Patrick     | £20,000 - £25,000   |

No travel or subsistence expenses were reimbursed to trustees.

Other related party transactions involving trustees are set out in note 29.

13 **Trustees' and Officers' Insurance**

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance cover provides up to £2,000,000 cover on any one claim and in the aggregate in any one period of insurance. The cost for the period was £1,253; the cost of this insurance is included in the total insurance cost.

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**14 Tangible Fixed Assets**

|                        | <b>Leasehold<br/>land and<br/>Buildings<br/>£'000s</b> | <b>Furniture<br/>and<br/>Equipment<br/>£'000s</b> | <b>Computer<br/>Equipment<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
|------------------------|--|---|--|-------------------------|
| <b>Cost</b>            |  |   |  |                         |
| At 3 July 2013         | -  | -   | -  | -                       |
| Transfer on conversion | 21045  | -   | -  | 21045                   |
| Additions              | 81   | 18  | 74                                       | 173                     |
| At 31 August 2014      | 21126  | 18  | 74                                       | 21218                   |
| <b>Depreciation</b>    |  |   |  |                         |
| At 3 July 2013         | -  | -   | -  | -                       |
| Charged in period      | 486  | 4   | 15                                       | 505                     |
| At 31 August 2014      | 486  | 4   | 15                                       | 505                     |
| <b>Net Book Value</b>  |  |   |  |                         |
| At 31 August 2014      | 20640  | 14  | 59                                       | 20713                   |

|  | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill Chase<br/>Academy<br/>£'000s</b> | <b>Flying Bull<br/>Academy<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
|--|--|--|---|-------------------------|
| <b>Cost</b>  |  |  |   |                         |
| Leasehold land transferred from local authority      | 1334   | 2207                                     | 1850                                      | 5391                    |
| Leasehold buildings transferred from local authority | 1738   | 10966                                    | 2950                                      | 15654                   |
| Land and buildings additions                         | -  | -  | 81  | 81                      |
| IT additions   | -  | 74                                       | -   | 74                      |
| Furniture and equipment additions                    | -  | -  | 18  | 18                      |
|  | 3072   | 13247                                    | 4899                                      | 21218                   |
| <b>Depreciation</b>                                  |  |  |   |                         |
| Charged in period                                    | 68   | 395                                      | 42  | 505                     |
| <b>Net Book Value</b>                                |  |  |   |                         |
| At 31 August 2014                                    | 3004   | 12852                                    | 4857                                      | 20713                   |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**15 Debtors**

|                                | <b>2014<br/>£'000s</b> |
|--------------------------------|------------------------|
| Trade debtors                  | 68                     |
| VAT recoverable                | 244                    |
| Prepayments and accrued income | 72                     |
|                                | <u>384</u>             |

|                                | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill<br/>Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>CAT<br/>£'000s</b> | <b>TOTAL<br/>£</b> |
|--------------------------------|--|--|---|-----------------------|--------------------|
| Trade debtors                  | 3  | 28   | 36  | 1                     | 68                 |
| VAT recoverable                | 40   | 132  | 33  | 39                    | 244                |
| Prepayments and accrued income | 16   | 3  | 53  | -                     | 72                 |
|                                | <u>59</u>  | <u>163</u>                                   | <u>122</u>                                    | <u>40</u>             | <u>384</u>         |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**16 Creditors - amounts falling due within one year**

|   | <b>2014<br/>£'000s</b> |
|---|------------------------|
| Trade creditors                             | 241                    |
| Taxation and social security                | 86                     |
| Pensions                                    | 80                     |
| Other creditors                             | 51                     |
| Re-charges made by University of Chichester | 829                    |
| Accruals and deferred income                | 468                    |
| Total creditors falling due within one year | <u>1755</u>            |

|   | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill<br/>Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>CAT<br/>£'000s</b> | <b>TOTAL<br/>£</b> |
|---|--|--|---|-----------------------|--------------------|
| Trade creditors                             | 41   | 66   | 80  | 54                    | 241                |
| Taxation and social security                | 7  | 49   | -   | 30                    | 86                 |
| Pensions                                    | 7  | 38   | -   | 35                    | 80                 |
| Other creditors                             | 1  | 4  | -   | 46                    | 51                 |
| Re-charges made by University of Chichester | -  | -  | -   | 829                   | 829                |
| Accruals and deferred income                | 36   | 170  | 217   | 45                    | 468                |
|   | <u>92</u>  | <u>327</u>                                   | <u>297</u>                                    | <u>1039</u>           | <u>1755</u>        |

The University of Chichester, as Sponsor of the University of Chichester Academy Trust, has incurred cost on its behalf totalling £829,000. These costs mainly comprise start-up costs and staff costs.

The trust is holding £45,000 on behalf of Kingsham Primary School as a custodian trustee.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**16 Creditors – amounts falling due within one year**  
**(continued)**

**Deferred income**

|                                   | <b>2014</b><br><b>£'000s</b> |
|-----------------------------------|------------------------------|
| Deferred income at 3 July 2013    | NIL                          |
| Resources deferred in the year    | <u>165</u>                   |
| Deferred income at 31 August 2014 | <u>165</u>                   |

At the balance sheet date the trust was holding funds received in advance for Pupil Premium grant income (£132,065), Universal Free School Meals grant income (£23,730), school trips monies received in advance (£4,210) and lettings re-charges received in advance (£4,892).



**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

| 17 | Funds   | Balance<br>at 3<br>July<br>2013<br>£'000s | Incoming<br>resources<br>£'000s | Resources<br>expended<br>£'000s | Gains,<br>losses<br>and<br>transfers<br>£'000s | Balance at<br>31 August<br>2014<br>£'000s |
|----|---|---|---------------------------------|---------------------------------|--|---|
|    | Restricted General Funds                          |   |                                 |                                 |  |   |
|    | Transfer from Local authority on conversion:      |   |                                 |                                 |  |   |
|    | Budget surplus on Local Authority funds           |   | 1356                            | -                               | -  | 1356                                      |
|    | Defined benefit pension scheme deficit            |   | (638)                           | (30)                            | (93)   | (761)                                     |
|    | General Annual Grant                              |   | 4300                            | (5359)                          | (174)  | (1233)                                    |
|    | Start up Grant                                    |   | 250                             | (250)                           | -  | -   |
|    | Other DFE/EFA grants                              |   | 266                             | (266)                           | -  | -   |
|    | SEN funding                                       |   | 89                              | (89)                            | -  | -   |
|    | Provision of curriculum services to other schools |   | 70                              | -                               | -  | 70  |
|    |   |   | 5693                            | (5994)                          | (267)  | (568)                                     |
|    | Restricted fixed asset funds                      |   |                                 |                                 |  |   |
|    | Transfer from local authority on conversion       |   | 21045                           | (505)                           | 174  | 20714                                     |
|    | DFE/EFA capital grants                            |   | 29                              | -                               | -  | 29  |
|    |   |   | 21074                           | (505)                           | 174  | 20743                                     |
|    | Total restricted funds                            |   | 26767                           | (6499)                          | (93)   | 20175                                     |
|    | Unrestricted Funds                                |   |                                 |                                 |  |   |
|    | Unrestricted Funds                                |   | 183                             | (158)                           | -  | 25  |
|    | Total unrestricted funds                          |   | 183                             | (158)                           | -  | 25  |
|    | Total funds                                       |   | 26950                           | (6657)                          | (93)   | 20200                                     |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**17 Funds (continued)**

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

Restricted general funds include net assets transferred from the Local Authorities on conversion and all grant income received from the EFA/DFE or Local Authority during the period. This fund is restricted to providing education at the academies within the trust. Under the funding agreement with the Secretary of State the trust is not subject to a limit on the amount of General Annual Grant that it can carry forward at 31 August 2014.

Restricted fixed asset funds comprise the leasehold land and buildings transferred to the trust on conversion and held on 125 year leases together with Devolved Formula Capital Grant for the period. The latter has not been spent and will be carried forward for use in future years.

Unrestricted funds include income from donations and other voluntary contributions towards the provision of extra-curricular activities. Expenditure from unrestricted funds includes the cost of providing school trips, music services and other extra-curricular activities.

**18 Analysis of Net Assets between Funds**

Fund balances at 31 August 2014 are represented by:

|                                       | <b>Unrestricted<br/>funds<br/>£'000s</b> | <b>Restricted<br/>General Funds<br/>£'000s</b> | <b>Restricted<br/>Fixed Asset<br/>Funds<br/>£'000s</b> | <b>Total<br/>Funds<br/>£'000s</b> |
|---------------------------------------|--|--|--|-----------------------------------|
| Tangible fixed assets                 | -  | (30)   | 20743  | 20713                             |
| Current assets                        | 25                                       | 1978   | -  | 2003                              |
| Current liabilities                   | -  | (926)  | -  | (926)                             |
| Liabilities due in more than one year | -  | (829)  | -  | (829)                             |
| Pension scheme liability              | -  | (761)  | -  | (761)                             |
| <b>Total net assets</b>               | <b>25</b>                                | <b>(568)</b>                                   | <b>20743</b>   | <b>20200</b>                      |

| <b>Funds attributable to each academy:</b> | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill Chase<br/>Academy<br/>£'000s</b> | <b>Flying Bull<br/>Academy<br/>£'000s</b> | <b>CAT<br/>£'000s</b> | <b>TOTAL<br/>£</b> |
|--|--|--|---|-----------------------|--------------------|
| Unrestricted Funds                         | 1  | 47                                       | (24)                                      | 1                     | 25                 |
| Restricted General Funds                   | 9  | 539                                      | (183)                                     | (933)                 | (568)              |
| Restricted Fixed Asset Funds               | 3011   | 12865                                    | 4867                                      | NIL                   | 20743              |
| <b>Total funds</b>                         | <b>3021</b>                                      | <b>13451</b>                             | <b>4660</b>                               | <b>(932)</b>          | <b>20200</b>       |

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

**18 Analysis of Net Assets between Funds  
(continued)**

The trust (CAT) has provided a team of experts to provide support to its academies in a wide number of areas. At the present time, with only three academies, there are no economies of scale and the cost per school is high. As the trust expands it will benefit from economies of scale and will generate more income to offset these costs. It is expected that the trust will break even in 2017/18.

**19 Capital Commitments**

There are no capital commitments contracted for but not provided in the financial statements.

**20 Financial Commitments**

Operating leases

At 31 August 2014 the trust has annual commitments under non-cancellable operating leases as follows:

**Other**

Expiring within two and five years inclusive

**2014  
£'000s**

9

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**21 Reconciliation of Net income to Net Cash Inflow  
from Operating Activities**

|  | <b>2014<br/>£'000s</b> |
|--|------------------------|
| Net income   | 20293                  |
| Transfer of land and buildings from local authority<br>on conversion | (21045)                |
| Transfer of cash on conversion                                       | (1356)                 |
| Transfer of pension liability on conversion                          | 638                    |
| Depreciation   | 505                    |
| Capital grants from EFA and other capital income                     | (29)                   |
| FRS17 pension cost less contributions payable                        | 30                     |
| FRS17 pension finance income   | -                      |
| (Increase) in debtors  | (384)                  |
| Increase in creditors  | 1756                   |
| Net cash outflow from Operating Activities                           | 408                    |

**22 Returns on investment and servicing of finance**

|  |   |
|--|---|
| Interest received  | - |
| Net cash inflow from returns on investment and<br>servicing of finance | - |

**23 Capital Expenditure and Financial Investment**

|   |       |
|---|-------|
| Purchase of tangible fixed assets                                     | (174) |
| Capital grants from DfE/EFA   | 29    |
| Net cash outflow from capital expenditure and<br>financial investment | (145) |

**24 Analysis of Changes in Net Funds**

|                          | <b>At 3 July<br/>2013<br/>£'000s</b> | <b>Cash<br/>flows<br/>£'000s</b> | <b>Cash<br/>transferred<br/>on<br/>conversion<br/>£'000s</b> | <b>At 31<br/>August<br/>2014<br/>£'000s</b> |
|--------------------------|--------------------------------------|----------------------------------|--|---|
| Cash in hand and at bank | NIL                                  | 263                              | 1356   | 1619  |

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**25 Guarantees, Letters of comfort and Indemnities**

No guarantees, letters of comfort or indemnities were provided during the year.

**26 Contingent Liabilities**

There were no contingent liabilities.

**27 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.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**28 Pension and similar obligations**

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Hampshire County Council.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions 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 actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and the subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- Total scheme liabilities for service to the effective date of £191,500 million and notional assets of £176,600 million giving a notional past service deficit of £14,900 million, and:
- An employer cost cap of 10.9% of pensionable pay will be applied to future variations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable whilst remaining fair to the workforce and that taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

**28 Pension and similar obligations (continued)**

The key provisions of the reformed scheme include a pension based on career average earnings; an accrual rate of 1/57<sup>th</sup> and a normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected. In addition, the proposed final agreement includes a Government commitment that those within ten years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension that they will receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required and that the only way of achieving these was to increase the member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015. Under the definition set out in the Financial Reporting Standards (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the trust has taken advantage of the exemption in FRS17 and has accounted for its contributions as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £150,715 of which employer's contributions totalled £112,571 and employees' contributions totalled £38,143. The agreed contribution rates for future years are 13.1% for the employer and 6.5% 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.

All three academies hold their schemes with Hampshire County Council and all are in deficit. It has been agreed that each academy will make additional contributions as follows in addition to normal funding levels:

Frogmore Junior School £6,300 per annum  
Mill Chase Academy £22,700 per annum  
Flying Bull Academy £27,100 per annum

**Principal Actuarial Assumptions**

|                                      |      |
|--------------------------------------|------|
| Rate of increase in salaries         | 3.6% |
| Discount rate for scheme liabilities | 3.7% |
| Inflation assumption (CPI)           | 2.1% |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

**28 Pension and similar obligations (continued)**

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

|                                 | At 31 August 2014 |
|---------------------------------|-------------------|
| <i>Retiring today</i>           |                   |
| Males                           | 24.4              |
| Females                         | 26.2              |
| <br><i>Retiring in 20 years</i> |                   |
| Males                           | 26.5              |
| Females                         | 28.5              |

The share of assets and liabilities for each of our academies in the scheme and the expected rate of return were:

|  | Expected<br>return at 31<br>August 2014 | Fair value at<br>31 August<br>2014<br>£'000s |
|--|---|--|
| <b>Frogmore Junior School</b>                |   |  |
| Equities                                     | 7.5%                                    | 62   |
| Property                                     | 6.8%                                    | 8  |
| Government bonds                             | 2.9%                                    | 25   |
| Corporate bonds                              | 3.3%                                    | 1  |
| Cash   | 1.1%                                    | 4  |
| Other  | 7.5%                                    | 3  |
| Total market value of assets                 | 6.0%                                    | 103  |
| Present value of scheme liabilities - Funded |   | (154)  |
| Deficit in the scheme                        |   | (51)   |



**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**28 Pension and similar obligations (continued)**

|  | Expected return at 31<br>August 2014    | Fair value at<br>31 August<br>2014<br>£'000s |
|--|---|--|
| <b>Mill Chase Academy</b>                    |   |  |
| Equities                                     | 7.5%                                    | 380  |
| Property                                     | 6.8%                                    | 49   |
| Government bonds                             | 2.9%                                    | 152  |
| Corporate bonds                              | 3.3%                                    | 9  |
| Cash   | 1.1%                                    | 23   |
| Other  | 7.5%                                    | 19   |
| Total market value of assets                 | 6.0%                                    | 632  |
| Present value of scheme liabilities - Funded |   | (1020)                                       |
| Deficit in the scheme                        |   | (388)  |
| <br>   |   |  |
|  | Expected return<br>at 31 August<br>2014 | Fair value at<br>31 August<br>2014<br>£'000s |
| <b>Flying Bull Academy</b>                   |   |  |
| Equities                                     | 7.5%                                    | 299  |
| Property                                     | 6.8%                                    | 38   |
| Government bonds                             | 2.9%                                    | 119  |
| Corporate bonds                              | 3.3%                                    | 7  |
| Cash   | 1.1%                                    | 18   |
| Other  | 7.5%                                    | 16   |
| Total market value of assets                 | 6.0%                                    | 497  |
| Present value of scheme liabilities - Funded |   | (819)  |
| Deficit in the scheme                        |   | (322)  |

A building block approach is used to determine the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out with this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at the accounting date.

The actual return on scheme assets was:

Frogmore Junior School £8,000

Mill Chase Academy £37,000

Flying Bull Academy £24,000

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**28 Pension and similar obligations (continued)**

**Amounts recognised in the statement of financial activities**

|  | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill<br/>Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
|--|--|--|---|-------------------------|
| Current service cost (net of employee contributions) | (18)   | (82)   | (46)  | (146)                   |
| Past service cost                                    | NIL  | NIL  | NIL   | NIL                     |
| Total operating charge                               | (18)   | (82)   | (46)  | (146)                   |

**Analysis of pension finance income/(costs)**

|  |     |      |      |      |
|--|-----|------|------|------|
| Expected return on pension scheme assets | 5   | 27   | 11   | 43   |
| Interest on pension liabilities          | (5) | (31) | (13) | (49) |
| Pension finance income/(costs)           | NIL | (4)  | (2)  | (6)  |

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is £93,000

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

|                                      | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill<br/>Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
|--------------------------------------|--|--|---|-------------------------|
| Opening present value at 1 September | (112)  | (833)  | (697)   | (1642)                  |
| Current service cost                 | (18)   | (82)   | (46)  | (146)                   |
| Interest cost                        | (5)  | (31)   | (13)  | (49)                    |
| Employee contributions               | (6)  | (20)   | (13)  | (39)                    |
| Actuarial loss                       | (13)   | (55)   | (51)  | (119)                   |
| Benefits paid out                    |  | 1  | 1   | 2                       |
| Closing present value                | (154)  | (1020)                                       | (819)   | (1993)                  |

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**28 Pension and similar obligations (continued)**  
**Movements in the fair value of academy's share of  
scheme assets were as follows:**

|                                      | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill<br/>Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
|--------------------------------------|--|--|---|-------------------------|
| Opening present value at 1 September | 70   | 513  | 421   | 1004                    |
| Expected return on assets            | 5  | 27   | 11  | 43                      |
| Actuarial loss                       | 3  | 10   | 13  | 26                      |
| Employer contributions               | 19   | 63   | 40  | 122                     |
| Employee contributions               | 6  | 20   | 13  | 39                      |
| Benefits paid out                    | -  | (1)  | (1)   | (2)                     |
| <b>At 31 August</b>                  | <b>103</b>                                       | <b>632</b>                                   | <b>497</b>                                    | <b>1232</b>             |

This is the first accounting period for the academy trust. The history of experience adjustments is as follows:

|  | <b>2014</b>                                      |  |   |                         |
|--|--|--|---|-------------------------|
|  | <b>Frogmore<br/>Junior<br/>School<br/>£'000s</b> | <b>Mill Chase<br/>Academy<br/>£'000s</b> | <b>Flying<br/>Bull<br/>Academy<br/>£'000s</b> | <b>Total<br/>£'000s</b> |
| Present value of defined benefit obligations                   | (154)  | (1020)                                   | (819)   | (1993)                  |
| Fair value of share of scheme assets                           | 103  | 632                                      | 497   | 1232                    |
| Deficit in the scheme  | (51)   | (388)                                    | (322)   | (761)                   |
| <br>   |  |  |   |                         |
| Experience adjustments on share of scheme assets (£'000s)      | 3  | 10                                       | 13  | 26                      |
| Experience adjustments on share of scheme liabilities (£'000s) | -  | -  | -   | -                       |

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

The LGPS obligation relating to staff seconded from the University is showing in the University's Financial Statements.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**29 Related Party Transactions**

The University of Chichester has been involved with schools and teacher training for many years and has set up the University of Chichester Academy Trust in order to build on its position as a long-established leader within the local education landscape.

The University of Chichester was approved as an academy sponsor by the Office of the Schools Commissioner in the summer of 2012. The University of Chichester Academy Trust was subsequently set up by the University in July 2013.

The University supports the University of Chichester Academy Trust through the provision of finance, staff and facilities and is also involved in its governance as set out below:

Under the Articles of Association the Membership of the trust includes the Vice Chancellor and Deputy Vice Chancellor of the University, neither of whom receives any remuneration from the trust nor are they paid for their role as trustees. There is one other independent member and two further vacancies.

There are currently ten Board Directors, four of whom are required by the Articles to be appointed by the University.

The University as sponsor has financed the trust's start-up costs and central staffing costs to date and has re-charged the trust to cover these costs. The total amount re-charged and outstanding at the end of the period was £828,733; £125,000 of this has been paid back since the end of the period.

All staff working for the trust central team are employed by the University who retain the liabilities associated with these staff members. Staff are seconded on either a full time or part time basis to the trust.

Trust staff also use the University buildings and services and the cost for these for the period is £5598; this is included in the total re-charge figure.

In addition, members of the University's Institute of Education provide school improvement services to the trust's academies; an amount of £36,090 has been invoiced to the trust.

**30 Events after the balance sheet date**

There were no disclosable events after the balance sheet date.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST****(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**31 Academies that joined the University of Chichester (Multi) Academy Trust during the period.**

Three academies joined the University of Chichester (Multi) Academy Trust during the period. They are Frogmore Junior School, Mill Chase Academy and Flying Bull Academy.

All three transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

**Frogmore Junior School**

On 1 September 2013 Frogmore Junior School was the first school to join the University of Chichester (Multi) Academy Trust as an academy under the Academies Act 2010. All the operations, assets and liabilities were transferred to the University of Chichester (Multi) Academy Trust from Hampshire County Council for £nil consideration.

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

|                              | <b>Unrestricted<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>General<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>Fixed<br/>Asset<br/>Funds<br/>£'000s</b> | <b>Total<br/>Funds<br/>£'000s</b> |
|------------------------------|--|--|--|-----------------------------------|
| Tangible fixed assets        |  |  |  |                                   |
| Leasehold land and buildings | -  | -  | 3073   | 3073                              |
| Budget surplus on LA funds   | -  | -  | -  | -                                 |
| LGPS pension deficit         | -  | (42)   | -  | (42)                              |
| Net assets/(liabilities)     | -  | (42)   | 3073   | 3031                              |

---

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014

---

**31 Academies that joined the University of Chichester (Multi) Academy Trust during the period.(continued)**

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with Hampshire County Council. No cash was transferred on conversion as the LA funds showed a small deficit; this deficit remained with Hampshire County Council.

Mill Chase Academy

On 1 November 2013 Mill Chase Community College joined the University of Chichester (Multi) Academy Trust as an academy under the Academies Act 2010 and changed its name to Mill Chase Academy. All the operations, assets and liabilities were transferred to the University of Chichester (Multi) Academy Trust from Hampshire County Council for £nil consideration.

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

|                              | Unrestricted<br>Funds<br>£'000s | Restricted<br>General<br>Funds<br>£'000s | Restricted<br>Fixed Asset<br>Funds<br>£'000s | Total<br>Funds<br>£'000s |
|------------------------------|---------------------------------|--|--|--------------------------|
| Tangible fixed assets        |                                 |  |  |                          |
| Leasehold land and buildings | -                               | -  | 13172  | 13172                    |
| Budget surplus on LA funds   | -                               | 1156                                     | -  | 1156                     |
| LGPS pension deficit         | -                               | (320)                                    | -  | (320)                    |
| Net assets/(liabilities)     | -                               | 836                                      | 13172  | 14008                    |

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with Hampshire County Council. The above net assets include £1,156,000 that was transferred as cash.

---

**UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST**

(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**31 Academies that joined the University of Chichester (Multi) Academy Trust during the period.(continued)**

Flying Bull Academy

On 1 April 2014 Flying Bull Primary School joined the University of Chichester (Multi) Academy Trust as an academy under the Academies Act 2010 and changed its name to Flying Bull Academy. All the operations, assets and liabilities were transferred to the University of Chichester (Multi) Academy Trust from Portsmouth City Council for £nil consideration.

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

|                              | <b>Unrestricted<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>General<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>Fixed<br/>Asset<br/>Funds<br/>£'000s</b> | <b>Total Funds<br/>£'000s</b> |
|------------------------------|--|--|--|-------------------------------|
| Tangible fixed assets        |  |  |  |                               |
| Leasehold land and buildings | -  | -  | 4800   | 4800                          |
| Budget surplus on LA funds   | -  | 200  | -  | 200                           |
| LGPS pension deficit         | -  | (276)  | -  | (276)                         |
| Net assets/(liabilities)     | -  | (76)   | 4800   | 4724                          |

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with Portsmouth City Council. The above net assets include £199,879 that was transferred as cash.