

Registered number: 08595545 (England and Wales)

University of Chichester (Multi) Academy Trust

(A company limited by guarantee)

Audited

Annual report and financial statements

For the year ended 31 August 2017

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

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**Reference and administrative details
For the year ended 31 August 2017**

Members

Clive Behagg (resigned 1 May 2017)
Margaret Eva
Romy Jones
Philip Robinson (term expired 31 August 2017)
Professor Jane Longmore (appointed 2 May 2017)

Trustees

Clive Behagg (resigned 1 May 2017)
Jill Cook
Richard Edwards
Kaye Forrest (resigned 31 August 2017)
Michael Grant
Charles Gregson
Deamonn Hewett-Dale
Romy Jones (appointed 29 September 2016)
Professor Jane Longmore, Chair (appointed 2 May 2017)
David Myers
Graham Olway
Philip Robinson (term expired 31 August 2017)
Sue Samson
Jon Spence
Joe Vitagliano (resigned 15 December 2016)

Company registered number

08595545

Company name

University of Chichester (Multi) Academy Trust

Principal and registered office

Bishop Otter Campus
College Lane
Chichester
West Sussex
PO19 6PE

Company secretary

Helen Turner

Chief executive officer

Sue Samson

Senior management team

Sue Samson, Chief Executive Officer
Helen Turner, Director of Financial and Commercial Services
James Humphries, Director of Standards and Effectiveness

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Trustees' report
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Reference and Administrative Details

Trustees	Meetings attended	Out of possible
C Behagg	3	3
Professor Jane Longmore	1	1
Jill Cook	4	4
Richard Edwards	3	4
Kaye Forest	2	4
Michael Grant	3	4
Charles Gregson	1	4
Deamonn Hewett-Dale	3	4
Romy Jones	2	4
David Myers	4	4
Graham Olway	4	4
Phillip Robinson	3	4
Sue Samson	4	4
Jon Spence	2	4
Joe Vitagliano	1	1

The Trustees of the University of Chichester (Multi) Academy Trust (referred to in this document as 'the Trust') present their annual report together with the financial statements and auditors' reports of the charitable company for the twelve months to 31 August 2017. The annual 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.

During this period the Trust managed ten academies in the south east of England: one infant school, two junior schools, six primary schools and one secondary school. The total pupil capacity of all ten schools is 4,454 with a total on roll of 3,504 as at the autumn 2017 census date.

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.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details.

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.

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Trustees' Indemnities

The Trust buys into the ESFA Risk Protection Assurance (RPA) scheme for all its academies. The RPA includes Governors Liability cover with a Governor being defined within the RPA Membership Rules as 'any member of an Academy Trust, a director/trustee of an academy trust, or a person who sits on a local governing body. Governors liability provides cover for losses incurred following a Governor (defined as a director/trustee/governor) committing a wrongful act where a wrongful act is defined as 'any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, breach of warranty of authority, libel, slander or any other act committed by any indemnified person solely in the course of the Business. As the RPA is calculated on a contribution per pupil basis it is not possible to give a breakdown of the cost of this element of the insurance.

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

There are currently eleven Trustees and vacancies for three Trustees. We are in the process of carrying out a Trustee recruitment programme and we expect to have three more Trustees in place by the end of the calendar year. We have chosen to appoint parents to our Local Governing Bodies and not to the main Board.

Trustees are selected in order to achieve the best mix of skills, effectiveness, leadership and impact. 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 and equality and diversity.
- Estates.
- Admissions.
- Fundraising and strategic partnerships.
- Data protection and GDPR

Trustees have been recruited to the Board through a mixture of personal approaches, advertising and recruitment via the New Schools Network Academy Ambassador's programme.

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Policies and Procedures Adopted for the Induction and Training of Trustees

During the year four of our Trustees left the Board due to either retirement, expiry of term of office or for personal reasons. One of these was the Chair of the Board, Clive Behagg, who retired as the Vice Chancellor of the University. His place as Chair has been taken by Professor Jane Longmore who is the new Vice Chancellor of the University. The remaining three Trustee posts are currently being recruited.

The CEO held an induction session with the new Chair and she meets regularly with our Headteachers and Chairs of Governors. A self-review of Trustee skills and effectiveness was carried out in 2016 and a review of local governing body skills and effectiveness was carried out in 2017.

Local Governing Bodies act with delegated authority from the Trustees. Induction sessions for new school governing bodies took place at each school following conversion and we ran further induction and networking conferences in September, November, March and April. Local governors have access to a wide range of additional training sessions provided through the service level agreements with their Local Authority. Whole governing body training sessions are also run on safeguarding, finance, HR and standards as well as on preparation for Ofsted Inspections.

Chairs of Governors attend termly meetings with staff from the central team with their head teachers where they receive updates on national changes to policy, developments in the Trust and have the opportunity to influence Trust-wide priorities and actions.

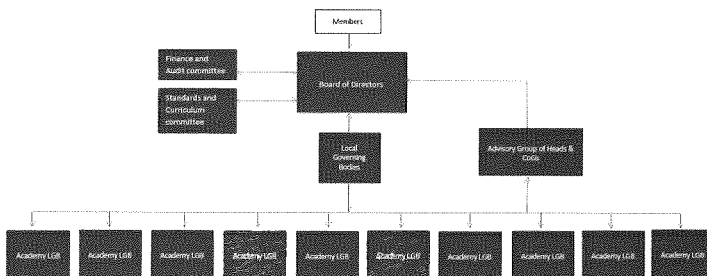
We carried out an induction for all Clerks of new school governing bodies and we held three Clerk Network Meetings for all clerks during the year.

We continue to enhance the Governance Toolkit and our web portal to give guidance to Governing Bodies to supplement the ESFA's Governance Handbook and to give guidance on our own internal processes and to provide guidelines and materials to support high quality governance within our academies.

We also provide Link Officers to support all new governing bodies for their first year and extend this for a further period if we identify that the governing body has continuing support needs.

Organisational Structure

MULTI-ACADEMY TRUST GOVERNANCE STRUCTURE



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The governance of the Trust is undertaken by Members, Trustees and governors of individual academies.

The Members are akin to the shareholders of the company. They have ultimate control of the academy trust with the ability to appoint some of the Trustees and the right to amend the Articles of Association. The Trust currently has three Members and two are also Trustees which is in line with the Articles of Association of the company. We are awaiting the publication of the new Model Articles of Association at which point we will amend our governance structure so that more of our Members are independent of the Board.

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 Trustees have formally delegated some of these powers to the CEO and some to Local Governing Bodies.

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 and any other executive officer. The Chief Executive Officer is assisted in this task by the senior team who are responsible for overseeing all operational delivery within the Trust.

The Chief Executive is the Accounting Officer of the multi academy trust and is assisted in this task by the Director of Financial and Commercial Services who is the Chief Financial Officer and the Director of Standards and Effectiveness who leads on the school improvement and effectiveness agenda.

The Trustees delegate certain responsibilities to locally based committees known as Local Governing Bodies. Each academy has a Local Governing Body and a Scheme of Delegation for each academy 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 Trust operates through a model of 'earned autonomy' and therefore the level of delegation to each academy is different and based on performance. The Scheme of Delegation is reviewed on an annual basis following a strategic review of the improvement and effectiveness of the academy. This includes an analysis of performance data, internal audit reports, visit reports and other data. This review culminates in a meeting between the Trust's CEO and the senior team and the Head and Chair of each academy. The outcome of this review is agreed levels of delegated authority for the following year and a letter is then sent to the Chair and the Head teacher setting out their levels of delegated authority for the following year.

Academies where the predecessor school was in special measures have less delegated authority initially than those academies whose predecessor schools were good or outstanding.

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

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel are defined by FRS 102 as those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. In the University of Chichester Academy Trust the key management personnel are the Trustees and the senior team of the central trust.

The three members of the senior team of the central trust are employed by the University of Chichester and work for the Trust under the terms of their employment contract. The arrangements for setting the pay and remuneration of University employees are as follows:

The HR department of the University uses a job evaluation toolkit to determine the salary for all University appointed posts. On determining a salary pay range for a post, an approval process to appoint to the post must be followed which includes sign-off from the CEO and a member of the University's Chief Executive's team.

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Three of the Trustees are also employees and they receive remuneration in respect of services they provide undertaking their roles as members of staff; they do not receive remuneration in respect of their role as Trustees. The arrangements for setting the pay and remuneration for these members of staff are as follows:

The employees hold posts within the Trust's academies and were employed at the school prior to the school moving to academy status. In line with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) the employees retained their terms and conditions, including pay when they join the Trust. The Trust's Pay and Reward Policy developed by a working group including headteachers and approved by the Board, sets out arrangements for the pay and remuneration of all employees. It was informed by the School Teachers' Review Body and the National Joint Council for Local Government Services. Local Governing Bodies approve all staff annual pay awards under delegated authority unless they have not been given full delegated authority, in which case the CEO approves annual pay awards for those schools. The CEO approves all pay awards for head teachers.

Employees and disabled persons

The University of Chichester Academy Trust and its academies are committed to equality, valuing diversity and working inclusively across all of our activities, creating a culture in which staff, volunteers, children and young people are treated fairly and with dignity and respect.

The Trust's vacancies appear on a range of sites including Disability Jobsite and Disability network and we deliver recruitment and selection training to all our academies with a focus on equality and inclusion, including resources and support available to academies and individuals with a declared disability. The Trust will work with its academies and individuals who declare a disability to ensure the right support is in place for the individual which may include consideration of reasonable adjustments, using Access to determine best support, occupational health or The Government and MIND's return to work programmes. All staff have the opportunity to discuss career development annually and images used in promoting the Trust and its academies reflect the diversity of our pupil and staff population. The Trust produce HR Matters, a bi-annual newsletter for its academies, which includes a section entitled 'Equality and Diversity Matters' to promote the benefits of a diverse workforce.

The Trust adopts a collaborative approach with its academies and in addition has set up a joint consultative group with its 10 recognised trade unions to consult on matters which affect staff pay and conditions. We meet with this group on a timely basis in order to keep them informed of the Trust's plans and to seek their views.

Related Parties and other Connected Charities and Organisations

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 transforming life chances through education and regeneration of local communities and also supported its widening participation in higher education strategy. Sponsoring academies was seen as a way of supporting lifelong learning and making a lasting difference to local communities using the University's expertise in education more widely to support the leadership, management and school improvement agendas in schools and providing a catalyst for improving the educational outcomes for children and young people.

The University supports the Trust in a wide variety of ways. It contributes to its governance in accordance with the Articles of Association: it provided start-up finance in the form of staffing costs to support the establishment of the Trust; it has provided and seconded staff to support the delivery of the Trust's business charged at cost; it has provided professional services support through expertise and back up support, it has provided training and support for staff seconded to the Trust, and has provided accommodation and made the University's facilities and expertise available to the Trust.

The University also provided financial support to the Trust during its start-up phase by seconding University employees to the Trust and charging their costs to a loan account; this loan has ESFA approval. The loan has a seven-year term, repayable in 2022, and has no interest charges and no penalties for early repayment. The ESFA has approved a loan of up to £1m, the balance on the loan account stands at £454,417 as at 31 August 2017.

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All central staff working for the Trust, whether full time or seconded on a part-time basis, have employment contracts with the University. The Trust is responsible for all of the costs of the seconded staff and for directing the work of the individuals. As a supply of services the Trust pays VAT on these re-charged salary costs.

In addition, members of the University's Institute of Education provide school improvement services to the academies within the Trust at cost and these costs are invoiced to the Trust on a termly basis. These costs also attract VAT, most of which is recoverable.

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 influence in setting the strategic direction of the Trust but not majority control. None of the Trustees receive remuneration for their work as Trustees.

The Articles also set out the University's interest in the Membership of the Trust by appointing the Vice Chancellor and a nominee of the University as two of the five Members, neither of whom receive any remuneration from the Trust. There are currently three Members, two of whom are also Trustees and one of whom is independent of the Board. We are awaiting the new DfE model Articles to be released and, in anticipation of that, have appointed someone to act as a Member but not a Trustee. That appointment will take effect upon the introduction of the new Articles.

The relationship between the University of Chichester and the Academy Trust is set out in a Sponsor agreement which ensures that all related party interfaces are clear and compliant with ESFA requirements.

There are no other related parties or connected charities and organisations.

Objectives and Activities

The objectives, aims, strategies and activities of the Trust are set out below.

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.

Objectives, Strategies and Activities

The Trust Vision is for all young people to be inspired by an excellent education that raises their aspirations and enriches their lives.

The Trust Mission is to create a vibrant inclusive and aspirational family of academies, transforming life chances for pupils through excellent teaching and learning.

The Trust Aims are:

- Promote high aspirations and success for all.
- Ensure progressive and sustained improvement in standards of education and progress in pupils.
- Create a learning environment where staff can promote and deliver creative, dynamic, engaging and relevant learning experiences for pupils.
- Value and support outstanding teaching by encouraging and supporting the continual professional learning of all staff.

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- Support and build leadership and management capacity within and across academies.
- Develop local learning communities where parents and carers are valued and encouraged to engage in the learning community.
- Embrace opportunities presented by the new educational landscape in a way that is coherent with our vision, mission and values.
- Generate levels of surplus sufficient to secure sustainability, support investment in our academies and the deliver our vision.
- Achieve a shared sense of mission and belonging across our community of schools so that the vision is owned by the whole Trust and understood by our partners.

The aims explained

1. **Promote high aspirations and success for all**
Our learning community will inspire and empower our staff and students to exceed their own expectations. Learning and teaching will benefit from the high quality research undertaken by the University, which is designed to inform and inspire. We will therefore work in partnership with each other and with the University to ensure that our learning and teaching contributes to and reflects excellent evidence-based practice. We will contribute to the Vision of the University to support high quality learning from Primary to PhD.
2. **Ensure progressive and sustained improvement in standards of education and progress in pupils.**
Our academies will prioritise the learning of all pupils and will aim for every child to make excellent progress. This will be done by academies undertaking rigorous self-evaluation, identifying priorities for development and producing a Journey to Excellence Plan to meet those objectives. This process will be supported by high-quality improvement advisers and specialists from the University's Institute of Education.
3. **Create a learning environment where staff can promote and deliver creative, dynamic, engaging and relevant learning experiences for pupils.**
We will continue to enhance the fabric of our academies. We will create a cohesive community of learning with a sense of belonging and shared endeavour. This will include capital and refurbishment projects, shared branding and a common commitment to sharing facilities, expertise and equipment. The University will also share facilities, staffing and expertise with academies to enhance learning for pupils and provide opportunities for everyone to develop.
4. **Support and building leadership and management capacity within and across our academies.**
The Trust believes that high quality leadership and management is key to maintaining an appropriate culture and ethos which facilitates high quality learning. Leadership at all levels will be nurtured and enhanced through shared opportunities: for research, training, mentoring, academy placements and coaching. Trustees, Governors, Headteachers, Senior Leaders and the Executive Leadership team are each on personal and collective journeys to excellence. The Trust is led through a co-leadership model encouraging engagement from all. The Trust also provides opportunities for formal leadership training leading to academic qualifications.
5. **Value and supporting outstanding teaching by encouraging and supporting the continual professional learning of all staff.**
The Trust is an inclusive learning community and encourages all staff to be both teachers and learners whatever their role in their academy. Every adult in our academies has an important role to play in our pupils' learning, whether it is at reception, in the dining hall, in the corridors or in the classroom.

All staff are encouraged to engage in reflective practice and plan their own personal learning journey. The Trust supports apprentices and interns as a strategy to attract new dynamic individuals; we provide Initial Teacher

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Training through the University and directly in our academies, providing opportunities for enthusiastic individuals to get into teaching. We provide an ongoing professional journey for all staff through coaching, academy placements, school to school support and training opportunities, leading to fast track leadership opportunities.

6. Develop local learning communities where parents and carers are valued and encouraged to engage in the learning community.
The University's goal is to be an inspirational agent for social, cultural and economic regeneration. We believe in the power of education to transform life chances for individuals and communities. In order to further this aim the Trust will focus our recruitment in areas that are in need of regeneration for example, Whitehill and Bordon as well as the coastal strip. Our academies will not only engage with their own pupils but with parents and community members in the academy's neighbourhood. Each academy's local governing body will play an important role in ensuring our Trust meets the needs of the local communities we serve.
7. Embrace opportunities presented by the new educational landscape in a way that is coherent with our values and strategic direction.
The period to 2020 is widely anticipated as a period of significant change for education. The government is proposing a continued development of academy status, increasing links between Universities and schools, a stronger focus on disadvantaged areas and a determination to improve social mobility. We will draw upon our educational heritage, leading and participating in academy development and school based teacher training. We will establish ourselves as a Teaching School and School Direct provider and will provide professional development and academy improvement support beyond our own academies. We will support other Trusts by providing peer mentoring and access to training and opportunities at a regional and national level.
8. Generate levels of surplus, sufficient to secure sustainability and create funds to invest in our academies to support the delivery of our Vision.
The Trust has always been financially well-managed. The University worked closely with the central Trust staff during its first two years to support its establishment. We will continue to secure income from a number of sources and achieve surplus budgets in order to fund strategic development in academy facilities and exciting curriculum opportunities for pupils.
9. Achieve a shared sense of mission and belonging across our community of academies, so that the vision is owned by the whole Trust and understood by our partners.
The entire Trust and its sponsor the University, will work together in order to ensure our strategy becomes the shared vision of our learning community and is coherent with the 2020 vision of the University. Our staff body, both teaching and professional services, is our most important asset in delivering an excellent education for our pupils and we commit to leading, managing and investing in them in a manner that reflects this outlook.

In order to deliver the aims there are a number of objectives which have work programmes associated with them. The objectives are grouped into work programmes in the following areas:

- Strategic Development and Governance.
- School Improvement and School Effectiveness.
- Human Resources
- Finance
- Premises.

The key objectives for the following work programmes are:

Strategic Development and Governance:

To develop outstanding governance processes and procedures through well targeted recruitment, effective training and support, and clear lines of delegation and accountability measures.

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To ensure that the Board and the Local Governing Bodies are competent, well informed, delivering accountabilities efficiently, adding value to the leadership of the Trust and its academies.

School Improvement and School Effectiveness

To ensure support and challenge to academies enables them to provide pupils with a broad balanced and engaging curriculum which fosters a love of learning and ensures all pupils make appropriate progress.

To maximise the opportunities provided by the partnership with the University in order to raise aspirations and bring additional benefits to pupils which they might otherwise not have.

Human Resources

To provide a professional and cost effective HR service with a focus on organisational development, resourcing, performance and reward, employee relations and engagement to deliver a positive impact on an academy's Journey to Excellence Plan and that supports the strategic aims of the Trust.

To provide a suite of policies and procedures which ensure that schools understand their statutory duties and support the Trust to be seen as an employer of choice in their local areas.

To provide a single efficient and effective HR and payroll system which ensures equity and access for all employees and supports schools to meet their statutory responsibilities and to deliver national requirements such as the Single Central Record and the Workforce Census.

Finance

To deliver the Financial Strategy and develop confident financial planning and progress monitoring to ensure that the Trust becomes financially viable and that Academy recruitment enables it to achieve its financial targets.

To develop secure financial processes and procedures within the Trust and across its academies to ensure money is well spent and improves student experience and outcomes.

To seek other sources of funding to enhance the capacity and financial viability of the Trust.

Premises

To ensure that all Trust academies are safe, well managed and appropriate learning environments

To seek or provide funding for all major high risk premises issues and ensure that any construction projects are well managed and delivered with appropriate attention to the health and safety of the children in the school.

To liaise with project and construction partners of all major new build programmes of work to secure the best environment to meet the learning needs of the children in the school.

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:

- Enhancing school standards and effectiveness by developing effective improvement processes and strategies with demonstrable impact in academies.
- Developing effective governance processes and procedures through training and support and clear lines of delegation and accountability.

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- Promoting leadership and management by giving support and guidance to Governing Bodies and Head teachers.
- Providing support for all professional services within each academy, including finance, HR and premises.

The Trust benefits from its close relationship with the University of Chichester who share similar public benefit aims. A number of projects are being developed to draw on the University of Chichester academic staff and the student body to enhance the experience of both the academy school pupils and the University representatives.

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

STRATEGIC REPORT

Achievements and Performance (including key performance indicators)

Context and characteristics

The University of Chichester Academy Trust was established in 2013 by its sponsor the University of Chichester in response to its desire to use its expertise to support the developing school based landscape and its strongly held belief that education can and does transform society. The Trust forms part of the University's strategy for social mobility transforming life chances through education and the regeneration of local communities.

The University of Chichester is a modern expanding and ambitious University with a strong educational heritage. It has been training teachers since 1839 and is recognised locally as a high quality provider of Initial Teacher Training provision. The university has 5520 students and 890 staff. The University has a reputation for providing high quality student centred higher education. 53% of the student body are the first in their family to attend University and over 50% come from low income households with 36% from the lowest income groups. The University ranks 12th nationally for teaching quality. Most of the Teacher Training students are employed locally.

The Trust was initiated by its sponsor in 2012 and then was incorporated as an independent charitable body in 2013 just before it took on its first school. The Trust adopted many of the values and moral purpose of the University striving to work with schools where it could make a difference to the lives of children and young people.

The Trust is recognised locally for its work and has had many requests from schools interested in joining the group. Following an analysis of its capacity and resourcing the Trust set a growth target of three schools for this year with the opportunity to take on more if they join in pairs or groups. Trustees agreed clear criteria for growth which included targeting identified geographical areas with a focus on Portsmouth for this year, four schools have joined the Trust from Portsmouth during the year. Two are an Infant and junior school who share a site and two are primary schools in challenging areas of the city. Targeted and managed growth to ensure balance and sustainability has been the focus of this year's growth and the Trust has met its targets for growth.

Early in the academic year two of the Trusts schools were inspected by Ofsted. One of these was a good school and retained its good status with some particularly impressive judgements about leadership ethos and staff development. The other was a school which transferred to the Trust when its predecessor school was put into Special measures and that school also secured a good judgement in all areas with Ofsted identifying the strong aspirational ethos the passionate teachers and the good progress being made by pupils. In the penultimate week of the Summer Term Ofsted undertook a "batch inspection" of the remaining four of the Trust's "early adopter" schools with positive outcomes – the outcomes are described in the school improvement section below. Ofsted also undertook a focussed review of the work of the Academy Trust with very positive outcomes. They stated that the Trust was improving schools rapidly and were positive about the methods, systems and structures being used. They were also complimentary about the commitment of the University as the sponsor of the Trust and the impact of the University's Institute of Education on the improvement

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cycle. The inspection was a strong endorsement for the Trust's model which recognises the uniqueness of each school within a structure of clear lines of accountability and strong external challenge.

Strategic Development and Governance

The Governance of the Trust is strong. The Trust Board has highly skilled and committed individuals who provide robust challenge to the executive leadership. The Trust Board set and reviewed the Strategic Vision ethos and strategic direction of the MAT in September 2016 and produced a new set of priorities for the year which included a new approach to growth. All Trustees have contributed through attendance at Board meetings and forensic analysis of papers and presentation materials. Detailed analysis of budgets and school results on a school by school basis have been done in the committees who have reported to the Board on a timely basis. During the year, three Trustees from the Standards and Curriculum Committee left the Trust and the Board decided not to appoint to these posts until the new Chair was in place. We are recruiting to these posts now and we expect to have two of these posts filled by the end of the year; this will add considerable strength to the Trustees' performance data knowledge base. Individual Trustees have shared their expertise with the Executive team and provided advice, support and challenge on such things as: premises plans; financial strategy; individual school budgets; change management; strategic plans; cash forecasts; headteacher performance management etc. Trustees have also initiated meetings with wider stakeholder groups in areas where they have influence. This has resulted in meetings with MP's; Local Authority Chief Executives and influential Business personnel during the year to further the work of the Trust and its schools. The Trust has further developed the delegation process to include a detailed delegation profile which identifies what functions are delegated to the Local Governing Bodies, which operate as committees of the Trust Board. Oversight of delegated responsibilities is undertaken by the CEO and her team. They have monitored the delivery of delegated responsibilities. The programme includes: an induction programme for new governing bodies; a differentiated delegation profile provided for all academies with levels of delegation specified; a link officer to attend all LGB meetings in the first year to embed Trust procedures and processes; an annual review of the delegation profile with actions for further development; a report on the annual review made to the Trust Board and triangulated by the CoG representative on the Board. LGB's have differentiated levels of delegation depending upon their capacity and skill. The delegated responsibilities were reviewed in June and the new delegation profile was issued to governing bodies for the 2017/18 academic year reflecting revised levels of delegation and agreeing the revised levels of support provided. For all schools who have not yet achieved a 'Good' Ofsted judgement the CEO has continued to attend their LGB meeting. For all schools setting an in year budget deficit the Director of Financial and Commercial Services has continued to attend their Finance Committee meetings and for all schools not yet judged as good the Director of Standards and Effectiveness has continued to attend the Curriculum Committee meetings. This has provided direct intervention for governance where it is needed.

Our Key Performance Indicators are:

- Board meetings provide effective challenge and support on both standards and financial matters and are well managed
- Trustees' attendance and engagement is at least 80%
- All academies operate within statutory guidelines and are compliant

What Ofsted says about governance:

- *Trustees and officers share a strongly held view that each school is unique and should develop its own identity. At the same time, the trust has established very rigorous structures that ensure consistent management systems and clear lines of accountability.*
- *Trustees are well-informed about, and have significant influence over, the trust's finances and plans for growth. However, their understanding of the performance*

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of trust schools is less well developed. As a result, the level of challenge trustees provide to officers on pupils' outcomes is not as detailed or as probing as it is on finance, estates and human resource matters.

- *Governors identify with the trust strongly. They feel listened to and valued. The chair of the local governing body and headteacher from each school form an advisory group which meets three times a year and which provides them with an opportunity to shape trust policy, in discussion with trust officers. This enhances the effectiveness of governance across the Trust.*
- *The Trust delegated powers to local governing bodies depending on their capacity and effectiveness. Trust officers review the work of local governing bodies and carefully by regularly attending meetings and scrutinising minutes. The level of support and monitoring is adjusted to meet the school's needs.*
- *Governing bodies are clear about their role and accountabilities, due to the Trust's effective management of delegation.*

July 2017

School Improvement and Effectiveness

There is a strong school improvement model in the Trust which is supported by both the Institute of Education in the University and external consultants (Academy Improvement Partners) who are current Ofsted Inspectors and/or headteachers and are selected because their experience fits the needs of the school. The School Improvement and Effectiveness work of the Trust is overseen by the Director of Standards and Effectiveness. During this year the Trust has increased this post to a full time role to manage the commissioning and quality assurance of the support package for the growing number of schools. A new Director has been appointed and is undertaking the role effectively.

The programme of work has included the development of: an annual plan of activities which covers all of the areas of school effectiveness including safeguarding procedures in the context of the Trusts strategic aims. The Trust wide school improvement processes has included robust analysis of data and outcomes for all pupil groups, clear evaluation of priorities and focus areas, target setting and creating a plan to deliver the targets recorded on the Journey to Excellence Plan. The plans in all of our schools have been delivered and supported by the AIP school improvement advisers and expert practitioners from other schools. The main developments this year have been the stronger alignment of the external consultants to the ethos and drivers for the trust and the development of a programme of school to school support. Headteachers have reported on progress on a termly basis to their Curriculum & Standards Committee and to their full LGB where the impact and outcomes are scrutinised. The Local Governing Bodies are undertaking this role with increased confidence and understanding. The Director of Standards and Effectiveness has introduced a new data management system across the Trust following a pilot scheme. All schools have now adopted the system and this information will be used in the coming year to report to the Curriculum and Standards Committee of the Board.

Our Key Performance Indicators are:

- Every cohort in every academy is performing at least above the median for its benchmark group in FFT Aspirer and moving closer towards the 20th percentile for: Primary – reading, writing, grammar, punctuation and spelling at the expected standard and greater depth; Secondary – basics (English and mathematics GCSE Grade 5+) and Attainment 8

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- In phonics the percentage achieving the expected standard by the end of Y1 is above the national average and all pupils who can have achieved the standard by the end of Y2
- In Early Years Foundation Stage the percentage achieving a good level of development is well above national average and improving each year
- Progress is judged at least good in self-evaluation endorsed by the Academy Improvement Partner and in inspection
- Progress measures at the end of key stages improve so average progress in primary reading, writing and mathematics and secondary Progress 8 is at least 0 and improving rapidly for all pupils and significant groups (girls, boys, disadvantaged, SEND) and prior attainment groups at the end of Key Stage 2
- Attendance is above national average and rising
- Persistent absence is below national average and falling

What Ofsted says about School Improvement and Effectiveness:

- *The quality of education in the trust's schools is improving rapidly.*
- *The trust has a thorough understanding of the strengths and weaknesses of the schools in the trust and uses this knowledge to put in place well-targeted challenge and support.*
- *Trust leaders use well-established and effective systems to monitor, evaluate and support the work of school leaders.*
- *The university's Institute of Education provides schools with valuable expertise in the curriculum, teaching and learning, particularly in English and mathematics.'*
- *Independent academy improvement partners play a vital role in the development of individual schools. They provide robust challenge and broker tailored support for each school. They quality-assure the school improvement work of staff from the university's Institute of Education and other providers. They also evaluate the impact of actions taken by school leaders.*
- *Leadership and management have been judged good or outstanding in all schools inspected since joining the trust, even when the overall effectiveness is not yet good.*
- *This high quality, well-planned partnership working is leading to improvements in the quality of teaching and faster rates of pupils' progress across the schools. As a result, outcomes are improving across the Trust, from low starting points in some cases. The trust recognizes that end-of-key-stage outcomes need to improve further.*

July 2017

Performance of Academies

Performance of our primary academies improved significantly this year, both in terms of pupil outcomes and inspection outcomes. The national test results for Trust academies which were in the Trust for the whole of the academic year 2016-17 with cohorts of more than 10 children, improved significantly compared to national averages for most measures. At the end of Key Stage 1 outcomes for reading, writing and mathematics improved to above average at the higher standard and our poorest attaining school improved its performance at the expected level in every subjects. At the end of Key Stage 2 outcomes for pupils across the Trust improved at every level in every subject and are now above national average and where academies are not yet at national average they have closed the distance significantly in

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every subject. The difference between disadvantaged pupils and their non-disadvantaged peers (based on last year's results) has diminished significantly in reading, writing and maths in almost every subject in almost every academy, resulting in an overall diminishing of the difference across the Trust in each subject. Performance in English and Mathematics at the end of Key Stage 4 improved again and the Basics outcomes for pupils (Level 2 qualification in English and Maths) is now above the national average. This marks a highly significant improvement for our secondary academy.

However, much remains to be done as our academies continue on our journey of improvement. Our priorities for 2017-18 are to:

- Continue supporting all our academies to deliver their Journey to Excellence priorities
- Develop Trust-wide strategies to improve phonics, writing and consistent performance across a broader curriculum in secondary
- Implement a high quality leadership development programme

In terms of inspection outcomes, 2016-17 saw a step change in the profile of the Trust, with the improvement of our academies being externally verified through Ofsted inspections:

School	Local authority	Date opened as an academy	Previous inspection judgement	Inspection grade, July 2017
Berewood Primary School	Hampshire	September 2014	Not previously inspected	Good
Kingsham Primary School	West Sussex	September 2014	Not previously inspected	Requires improvement
Fernhurst Primary School	West Sussex	September 2014	Requires improvement	Good
Frogmore Junior School	Hampshire	September 2013	June 2016 Requires improvement	July 2017: taking effective action
Mill Chase Academy	Hampshire	November 2013	Not previously inspected	October 2016 Good
The Flying Bull Academy	Portsmouth	April 2014	November 2013 Good	February 2017 Good (short inspection)

At academy level, the Trust has demonstrated impact of its support in the following ways:

ARUNDEL COURT PRIMARY SCHOOL	
Arundel Court joined the Trust on May 1 and brings enormous strength to our family of academies. Situated in a very deprived part of Portsmouth (66% pupils have free school meals), the academy is formed of two schools, an infant and junior, which merged in 2013 after 5 years of federation. The Headteacher of the infant school became Headteacher of the new school. It is a vibrant, exciting and inspirational academy and we very much look forward to Arundel Court playing a major part in our school improvement and teacher-education programmes in the future.	
Strengths	<ul style="list-style-type: none"> • Leadership and management • EYFS 'enables children to get off to a flying start with their learning' (Ofsted) • Relationships and behaviour management • Mathematics
Trust support and impact	<ul style="list-style-type: none"> • The Trust has supported the smooth transition of the academy into Trust structures and inducted staff and governors well.

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BEREWOOD PRIMARY SCHOOL	
<p>This Academy was a brand new school set up by the Trust in purpose built premises in order to serve a housing development which is growing up around it. Due to the nature of its growth, many cohorts are very small and contain significant numbers of pupils who have transferred into the academy from other schools. The school has met these challenges well and pupils make very good progress from their various starting points.</p>	
Strengths	<ul style="list-style-type: none"> • Leadership and management remain amongst the strongest in the Trust. • Inclusion is a key strength as there are significantly higher proportions of pupils with special educational needs and/or disabilities at the academy. • Behaviour is at least good. • All teaching is routinely good with an increasing element that is outstanding. • Community leadership is exceptional, with the academy playing a pivotal role in the building of a strong and healthy new neighbourhood.
Trust support and impact	<p>The Trust has supported leadership, subject leadership, science assessment, SEND provision and challenge for pupils in English and mathematics. The impact of this support was seen in the Ofsted inspection in July which found all aspects of provision to be Good with Leadership and Management Outstanding.</p> <p>"The trust assists leaders extremely well. They provide strong support and challenge that further enhances the school's effectiveness." "The trust supports leaders to a high standard. For example, it has provided a skilled improvement partner who has considerable experience in setting up and running new schools. When leaders were recruiting a new deputy headteacher, an additional school leader from within the trust was seconded to support them until an appointment was made. Consequently, the trust has enabled the school to develop and improve successfully over time.</p>

COURT LANE INFANT SCHOOL AND COURT LANE JUNIOR SCHOOL	
<p>These two schools serving one community joined the Trust in September 2016. They are both large, thriving and oversubscribed schools serving an area in the north of Portsmouth which is generally less deprived than the rest of the city. On transfer, The Trust introduced a new leadership structure into these two schools in order to address historic weakness in progress in the high attaining Junior school. An Executive Headteacher has successfully developed leadership across the two academies. This has enabled the improvement of leadership at all levels within the academies which, while historically good, is now even better. Transition between Y2 and Y3 has been a key focus this year.</p>	
Strengths	<ul style="list-style-type: none"> • Leadership at senior and middle levels. • Teaching is now all securely good with outstanding elements. • Powerful CPD driving improvement • Engaging enquiry curriculum • Reading culture is very strong. • Behaviour continues to be very good with positive attitudes to learning. • Attendance is above national average.
Trust support and impact	<p>The Trust has supported the Infant academy to improve mathematical mastering for fluency and use of manipulatives, for SEND pupils and commissioned a pupil premium review for the progress of disadvantaged pupils. A Challenge Partners review of the Infant academy judged school improvement strategies, pupil outcomes and teaching, learning and assessment all to be outstanding. In the Junior academy the Trust has supported the teaching of mathematics, middle leadership and the implementation of new tracking systems. A Trust review of Teaching and Learning in the summer term found progress to be good across the junior academy with some exceptions which have been addressed very rapidly by the leadership.</p>

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FERNHURST PRIMARY SCHOOL	
<p>Fernhurst serves a small village in the heart of the South Downs National Park. It provides a strong community hub and is a vital part of village life. When it joined the Trust it was judged Requires Improvement. Leaders have worked alongside the Trust to make significant improvements in the academy. The curriculum is now vibrant and engaging, making the most of its environment to enable pupils to enjoy a strong Forest School provision. The academy was ably led by the Deputy Headteacher with support from the Trust over the summer term until the new Headteacher took up post in September 2017.</p>	
Strengths	<ul style="list-style-type: none"> • Teaching in upper-key stage 2 • Governance • Attendance is above national average • Forest School curriculum provides exciting opportunities for pupils to develop life-skills
Trust support and impact	<p>The Trust has provided significant support in teaching and learning across the curriculum, EYFS and increasing the effectiveness of self evaluation. This has had significant impact on the outcomes for last year's Year 6 and was verified by Ofsted in their July 2017 inspection in which every element of provision was judged to be Good with the exception of EYFS where recent changes in staffing had yet to take effect.</p> <p>"The University of Chichester Academy Trust has supported the school's development well. Its strategic approach and commitment to improving leaders' and teachers' skills have benefited the school."</p> <p>"The University of Chichester Academy Trust has made sure that leaders receive the training and support they need to be successful in their roles. As a result, leaders have an accurate understanding of the strengths and priorities for further improvement of the school, and the capacity to oversee the school's further development."</p>

FLYING BULL ACADEMY	
<p>The Flying Bull Academy serves a deprived area in the heart of Portsmouth. Its Headteacher is a Trust Leader of Education and the academy, as the only Good school joining the Trust from its inception, provided valuable leadership and has contributed significantly to the ethos the Trust has developed. It is highly inclusive, with a tailored, vibrant curriculum which seeks to address the very significant needs of its community and engage its families well.</p>	
Strengths	<ul style="list-style-type: none"> • Leadership and management at all levels • Dynamic learning culture • Continuing Professional Development • Engaging hands-on curriculum • Disadvantaged pupils' progress in KS1 • Mathematics • Behaviour
Trust support and impact	<p>Trust support this year has focused on continuing to improve provision in EYFS and to support self evaluation of the academy. This was verified in its inspection in spring 2017 in which it was agreed the academy continued to provide a Good standard of education.</p> <p>"The leadership team has maintained the good quality of education in the school since the last inspection. You are a strong, inspiring leader. Your clarity of thought and determination to ensure that all pupils are happy, safe and achieve well has been central to making sure that teachers have raised their expectations of what pupils can achieve. Staff, parents, governors and members of the University of Chichester Academy Trust have confidence in your leadership. You have created a strong staff team and a sense of community, which is valued by pupils and their parents. As one pupil told me, "everyone here has a really good bond; it's all about friendship."</p>

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FROGMORE JUNIOR SCHOOL	
<p>Frogmore joined the Trust in Special Measures and started 2016-2017 school year with some significant challenges in recruitment which potentially reduced the capacity of the leadership of the academy to embed the improvements which had emerged in the previous school year leading to it coming out of Special Measures in the spring of 2016 into Requires Improvement. The Trust provided additional capacity in the school which allowed the Headteacher to focus on embedding the changes which have led to rapid improvement.</p>	
Strengths	<ul style="list-style-type: none"> • Rapid improvement in quality of teaching • Attendance • Behaviour
Trust support and impact	<p>The Trust has provided significant levels of support for the academy focussed on writing, subject leadership, science, SEND and critically in supporting leadership and management through a difficult period. The impact is seen in improved standards and a successful Ofsted monitoring inspection in which they noted:</p> <p>"Since the last inspection, the multi-academy trust has provided the school with a good level of support. The trust ensures that the encouragement and challenge it gives is robust and based on accurate evidence. The attendance of senior officers from the trust at all governing body meetings ensures that they have a good understanding of the school's strengths and weaknesses. As a result, they quickly identify areas where progress is too slow or that need additional support. This close attention has contributed to the good progress the school has made since the last inspection."</p>

KINGSHAM PRIMARY SCHOOL	
<p>The academy serves a deprived neighbourhood in Chichester and struggled for many years before joining the Trust in Special Measures. In the Autumn term of 2016 new leadership took over from the interim arrangements the Trust had put in place and began to capitalise on the improvements which were emerging. Their sense of urgency has resulted in significant improvements in the academy which is increasingly popular with parents and now has significant strength in early years and KS1.</p>	
Strengths	<ul style="list-style-type: none"> • EYFS and KS1 provision • Leadership of the senior team and governors • Teaching of phonics
Trust support and impact	<p>The Trust provided significant support for the academy this year focusing on writing, planning and reading, particularly in upper key stage 2, alongside support to embed the improvements in leadership introduced in the academy. The impact is seen in improved outcomes and a successful Ofsted inspection in the summer term 2017 which judged EYFS and Leadership and Management to be Good with overall effectiveness requiring improvement:</p> <p>"Leaders know their school well. Their determined actions, supported well by the trust, are securing improvements in the school. This is most evident in the early years and key stage 1."</p> <p>"The University of Chichester Academy Trust supports the school well in its work. Staff from the trust work closely with colleagues in school to improve the quality of teaching and develop leadership across the school. This is contributing successfully to raising standards."</p>

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Mill Chase Academy	
	The Trust's only secondary academy serves a deprived area of Hampshire – a garrison town in which the population dropped dramatically following the closure of army bases over the last few years. As a result the academy has faced challenges over the years, joining the Trust in special measures. The strong leadership in the academy has brought about sustainable improvements and the academy is now increasingly popular with families in the area.
Strengths	<ul style="list-style-type: none"> • Senior leadership • Pupils' behaviour • Continuing Professional Development • Safeguarding arrangements
Trust support and impact	The Trust's support this year has focused on securing improvements in English and sustaining those in maths, alongside support for other curriculum areas, especially science where recruitment and retention is a challenge. The impact can be seen in significant improvement in the Basics measure at GCSE and a successful Ofsted inspection in October 2016 in which every aspect of provision was judged to be Good. "Leaders work closely with support from the trust to improve the quality of teaching and learning across the school. Links to the trust provide useful ways to share good practice and learn from expertise from beyond the school."

Highbury Primary School joined the Trust on 1 July 2017 and we look forward to including their report in next years Trustees' report.

Human Resources

Human Resource (HR) provision is robust across the Trust with the small central HR team having built a strong working relationship with the Headteacher and staff within the academies to ensure HR practices are not merely compliant, but effectively support the vision and values of the organisation. Support is given to ensure the organisational structure and staffing model contribute to the school's Journey to Excellence plans and supports an environment which optimises opportunities for pupils and students learning and development.

The Trust now has a comprehensive suite of policies and procedures which are available electronically for schools and are used by all of the schools. This year the Trust has introduced an integrated HR and Payroll system, with a self-service function. This is to replace three local authority legacy systems and will enable the Trust to operate more efficiently at scale. The introduction of this system has been a significant programme of work in the central team and in each of the schools and has been time consuming. We are now beginning to see the benefits of this programme of work and are now in a position when it can reap benefits.

The Trust has also developed a single pay and rewards policy across its schools. This was developed by a working group of headteachers located in the three local authorities that our schools are situated in to ensure that there are no unexpected issues for staff from any area. We have also consulted with the Unions and the policy is now being operated in our schools. This has been a significant piece of work and has been particularly successful. The facilities within the policy for secondments, staff transfers and for the appointment of senior leaders and Trust Leaders in education have been used to the benefit of both individuals and of schools.

The development of the knowledge and understanding of HR within our academies, has been a key programme of work across the Trust and in individual schools. The central team provide an induction and training package for new academies, hold regular HR network meetings, workshops and offer a helpline service for advice and guidance. A Board member is an HR professional to ensure robust scrutiny of HR matters.

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Our Key Performance Indicators are:

- Staffing costs are below 80% of total costs in each school
- Absenteeism is below national average in each school
- The proportion of teaching that is routinely good or better is improving and there is no inadequate teaching
- Leadership and management is at least good in every academy with an increasing proportion of outstanding practice

What Ofsted says about HR:

- *The trust provides its schools with very effective support for finance, human resources and estate management. This enables school leaders to focus on school improvement.*
- *For example, the trust's rigorous approach to recruitment ensures that only the best candidates are accepted for teaching posts in schools.*
- *Schools have access to expert assistance in financial and legal matters, human resources and premises management.*
- *Participation in the university's teacher training arrangements gives schools access to well-qualified trainees.*
- *The Human Resources Manager provides clear up to date guidance for all schools on staff recruitment processes.... she carries out rigorous checks to ensure that these processes are followed*
July 2017

Finance

Strategic financial management within the Trust is strong. There is a small but highly qualified and experienced central Finance team who are supported by experienced Business Managers in each school.

During the year a new member of staff has joined the central Finance Team as a Financial Accountant. This additional staff has enabled the Trust to manage its increase in number of schools and also to continue to operate the Internal Audit function in house.

The central Finance team work highly effectively with schools to ensure that the requirements of the Academies Financial Handbook, the Charity SORP and the Trust's own financial procedures and expectations are met. Each school has its own Finance and Resources committee, part of the LGB, which manages the budgets and scrutinises the finances of each individual school. The Board's Finance and Audit Committee gives strategic direction on budget priorities, scrutinises and approves individual school budgets and scrutinises the Management Accounts of each school. The central team offer intensive induction and training for each new school in the first term combined with ongoing training, support and a Helpdesk for all schools thereafter. There has been a significant increase in the capacity and skills of Business Managers who now support each other, as well as meeting up to share expertise and network at the termly and Finance Network Meetings

The Trust has a Financial Strategy which identifies strategic aims for the central Trust and its schools in order to deliver the best allocation of resources to facilitate the best outcomes for children. The financial strategy is monitored and maintained by the Finance and Audit committee at each of their meetings. The close scrutiny and challenge by the Finance and Audit Committee and their attention to detail has been a strength of the Trust Boards interventions.

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The most significant developments this year have been the increase in confidence and engagement of the Finance and Audit Committee and the increased capability and skill of the school based business managers which has resulted in the increase in school to school support that is emerging which is adding to the capacity of the Trust

Our Key Performance Indicators are:

- There are no high-level compliance issues identified by the internal audit
- Academies have three year financial plans which break even each year
- Academies operate within their in-year budgets
- Academies submit management accounts to an agreed timetable
- Total pupil numbers or PAN are increasing

What Ofsted says about Finance:

- *Schools have access to expert assistance in financial and legal matters, human resources and premises management.*
- *This combination of respect for the individual identity and journey of each school with strong support for school improvement, finance and human resources is a distinctive feature of the trust.*
- *Trustees are well-informed about, and have significant influence over, the trust's finances and plans for growth*
- *The trust provides its schools with very effective support for finance, human resources and estate management. This enables school leaders to focus on school improvement.*

July 2017

Financial Review

During the year the Trustees continued to monitor the delivery of the financial strategy, the aim of which is to achieve financial sustainability and deliver the strategic aims of the Trust by:

- At least breaking even each year.
- Generating sufficient cash to pay operating costs and pay back the University loan by 2022.
- Using any surpluses to target investment in key areas.

The Finance and Audit Committee monitors key performance indicators at every meeting and reviews and revises the strategy each year.

The financial performance of the Trust as a whole has been stable, with a small overall surplus for the year.

We noted in last year's report that most academies were using their reserves as a buffer against either falling rolls or to absorb increasing pay and pension costs which were beyond their control. Our academies have worked hard during the year to try to find cost savings, attract more income and manage their budgets more efficiently in order to move to a more sustainable financial position. With the exception of one of our ex special-measures schools all our academies have delivered an outturn at the end of the year that is better than budget.

The central Trust also moved further this year towards a break-even position as it took on four more academies, two in September 2016, one in May and another in July 2017. A further two academies joined the Trust in October 2017

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following the end of the year. We have been clear for some time that the break-even position for the Trust is twelve academies and in 2017-18 we will be in a break-even position at the centre.

Trustees were delighted to receive four more Ofsted judgements that were an improvement on the previous school's Ofsted category; this will help to bring more pupils into the academies and generate additional grant income. The pleasing HMI focussed review for the Multi Academy Trust as a whole will also encourage more schools to join us; this will help to deliver on our growth projections which are part of the Financial Strategy.

The results for the year are for ten academies and the central Trust location, the principal source of funding for whom is ESFA grant income. As the results are consolidated, adjustments have been made to remove all intercompany transactions during the year and at the year-end.

The Trust made an overall surplus, before pension scheme actuarial losses, of £16,599,000 for the year made up of the following surpluses/(deficits) on individual funds:

	£
Unrestricted funds	915,000
Restricted General funds	(3,362,000)
Restricted Fixed Asset Funds	<u>19,046,000</u>
Total funds	<u>16,599,000</u>

The surplus on restricted fixed asset funds is largely the value of the fixed assets from the four new schools that joined the Trust during the year less a depreciation charge for these.

The overall deficit on Restricted General funds represents the total results for the year in each of our academies and the central trust together with movements on the pension funds as follows:

Academy and central trust results for the year	(684,000)
Pension fund movements	<u>(2,678,000)</u>
Total Restricted General Funds	<u>(3,362,000)</u>

The adjusted deficits/ (surpluses) in the individual locations, taking the Trust intercompany contribution into account were as follows:

	£
Frogmore	(109,000)
Mill Chase	(355,000)
Flying Bull	61,000
Berewood	(2,000)
Fernhurst	1,000
Kingsham	(57,000)
Court Lane Infants	(2,000)
Court Lane Juniors	1,000
Arundel Court	(22,000)
Highbury	(116,000)
Central Trust	<u>(84,000)</u>
	<u>(684,000)</u>

The above figures reflect the results in the individual academy management accounts for Restricted General Funds. Unrestricted funds for each of the schools showed a small surplus. We were pleased to note that the results for the Trust as a whole were better than budget.

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The central Trust budget and all except one of its academies delivered an outturn that was better than budget; the exception to this was Frogmore Junior School which is an ex special-measures school which is still on a journey towards excellence. The school is growing its pupil numbers but is still a small school and not yet economically viable. Following an Ofsted RI judgement last year, despite this being a significant improvement on the previous Special Measures judgement, the school lost 12 pupils which impacted on the school budget. Three staff left and recruitment was particularly challenging with three vacancies and no suitable applicants for any of them. We appointed two teachers from Australia and New Zealand and an interim leadership post, all from agencies with additional costs associated with these posts. We continued to advertise during the year and now have high quality new staff in post, however these factors impacted on the in-year budget.

Our two other ex special-measures schools, Mill Chase and Kingsham, are still operating on deficit budgets and utilising their reserves as they grow their pupil numbers and become economically viable. Both of these schools performed slightly better than budget for the year but still made deficits.

Of the remaining schools that have been with the Trust for more than a year, three schools reported a surplus for the year; these schools are Flying Bull, Fernhurst and Court Lane Junior School. The other two schools, Berewood and Court Lane Infants, reported a small deficit.

Of the two schools that joined us at the end of the financial year, Arundel Court brought with it a substantial surplus on conversion which, without this, it would have made a very small deficit. Highbury Primary School made a small deficit after building in its surplus on conversion and we are working with the school to help them to reduce their future costs.

Expenditure in all academies and in the central Trust was aimed at delivering our charitable objectives of enhancing school standards and effectiveness, developing effective governance processes, promoting leadership and management and providing support for professional services.

All our schools have faced considerable challenges during the year with increased pay and pension costs, inflation, and funding that does not keep pace with either. Whilst we welcome the commitment to a National Funding Formula we believe that the latest illustrative allocations have not placed any of our schools in a position where they can meet their ongoing costs better and none of our concerns about inequality in different geographical/local authority areas have been met. We await further announcements.

We have been concerned this year at the effect that the gradual withdrawal of the Education Services Grant (ESG) is having on our academy recruitment programme. Some Local Authorities are telling their schools that they will be financially better off if they stay within the LA and we have made representations to Nick Gibb, School Minister that this is an unintended consequence of the withdrawal of this grant.

We have been concerned this year that whilst we have made a number of bids for additional funds (Teaching Schools, SSIF) we have only been successful in one, the Regional Academy Growth Fund, and we believe that the mechanisms for facilitating Multi Academy Trust bids are lagging behind the political agenda. We have also made this point to Nick Gibb, the Schools Minister, and others, and we will continue to lobby for equality of opportunity across the bidding process.

At the end of the year the LGPS pension liability had increased from £2,318k to £3,874k as a result of the low yield on index-linked gilts which has resulted in a decrease in the net discount rate and, consequently, a higher current service cost. This balance is included in Restricted General Funds and the increase means that total Restricted General Funds now have a negative balance.

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The financial results for the year, the positive results from four school Ofsted inspections and that for the MAT, the recent and future growth mean that the Trust is confident that it is on track to deliver the financial strategy.

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 free 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.
- Enable reserves to be utilised for investment purposes across the Trust

The level of reserves to meet total academy requirements has been set by the Trustees as being between 2 and 4 months' worth of academy expenditure.

The level of free reserves, represented by Restricted and Unrestricted General Fund reserves was £573k at 31 August 2017. However, the Trustees believe that the University is in effect providing a capital reserve through their long term loan of £454k and therefore the effective free reserves total is £1,027k which is equivalent to one month's worth of expenditure. The Trustees consider this to be acceptable but will continue to implement the financial strategy which focusses on growth to deliver a sustainable financial position and increase reserves back up to two months' expenditure or more.

This reserves policy is reviewed by the Trustees at least annually.

At 31 August 2017 the total funds comprised:

	£'000s
Unrestricted	1,084
Restricted fixed asset funds	58,342
Restricted general funds:	
GAG	(511)
Pension reserve	(3,874)
	<hr/>
	55,041

Restricted General Funds show a deficit balance at the end of the year. This deficit has arisen partly as a result of the Trust's central start-up costs not being fully funded during the first four years until it reached a break-even position and partly through our ex-special measures schools requiring substantial investment to help them to improve and reach a financially viable size.

The Trustees are taking the following steps to address this and return the fund to a surplus:

- Working closely with all academies, especially those that were previously in special measures, to help them to set sustainable budgets.

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- Making a request to the Regional Schools Commissioner for an indicative funding model for Mill Chase Academy to reflect the expected growth in pupil numbers as the town of Bordon is developed and new houses are built.
- Making a request to Hampshire County Council for growth funding for Mill Chase Academy.
- Continuing to take on new academies to bring in additional funds.

The deficit on the pension reserve relates to the non-teaching staff LGPS pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 22. 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 with NatWest bank in the name of the Trust. Trustees have considered during the year the small financial risk of holding cash balances in excess of £85,000 in these accounts and have concluded that the risk is small. At the end of the year nine of our bank accounts held balances in excess of £85,000.

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 and for at least 12 months from the date that these financial statements are authorised for issue. 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.

Principal Risks and Uncertainties

The Trustees have considered the principal risks to which the Trust is exposed and have implemented measures to try 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:

- Additional cost pressures in our schools, including pensions, pay, national insurance, apprenticeship levy, energy and IT costs force schools to make cuts to education provision.
- Inability to meet growth targets because of funding disincentives to academies and MATs.
- Failure to implement GDPR in time and/or a breach of the regulations.
- Lack of capacity to implement new initiatives or deliver the current identified opportunities to their full potential.
- Insufficient impact on the main risks in our schools such as recruiting and retaining staff, improving KS2 results and ensuring financial viability.
- Lack of capacity to manage the very significant new-build capital programmes taking place in our schools which results in the buildings not being delivered in a timely manner and/or not being suitable to deliver an appropriate curriculum.

Other risks considered by the Board during the year were the risk of the HR and payroll project not being delivered on time and within budget, an inability to recruit good quality governors to our schools, insufficient due diligence processes resulting in high-risk schools joining the Trust and central costs not being covered by the schools' financial contribution; these risks were reviewed at the end of the year by the Board who considered them to be minimal or mitigated and they will therefore be removed from the Risk Register in accordance with the Board's risk policy.

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We are working closely with all our schools to help them to make efficiency savings and to reduce their costs in order to manage within their budgets and achieve financial viability. We are also in discussion with the Regional Schools Commissioner and our local MP, the Schools Minister Nick Gibb, about the funding of academies and MATs and the impact on our growth programme. Recruiting and retaining good quality teaching staff is a national issue but we are working closely with the University's Institute of Education and we ended the year with no teaching staff vacancies in any of our schools. We were pleased that HMI inspectors confirmed as part of the focussed review of our MAT that we are improving our schools rapidly and we continue to support our schools to enable them to improve their results at each key stage. We have increased capacity during the year in our central team and we have entered into a contract with Barkers to assist us with our capital works; this is in addition to the support offered by the University Estates team. We have carried out awareness training on GDPR with all our Heads, Chairs of Governors and Business Managers and we intend to carry out a data audit of all our schools. We have also appointed a Trustee to take Board responsibility for GDPR.

The risk register is reviewed regularly by the senior team and individual risk 'owners' are charged with monitoring existing risks and identifying new ones. The risk register is reviewed at each Board meeting. All our schools also have risk registers in place which are monitored regularly by the Local Governing Body.

The Trustees accept that managed risk is an inevitable part of the Trust's operations, especially as a new organisation but they maintain an objective not to run unacceptable levels of risk in any area.

Plans for Future Periods

Our priorities for 2017/18 are:

- Targeted growth
- Employer of choice
- School of choice for local communities
- A curriculum inspiring pupils to learn
- Securing financial sustainability
- Improving quality of learning environments
- Data protection

• Targeted Growth

The Trust will recruit schools in defined geographical areas no more than 30 minutes' drive from our existing academies. We expect all schools to share the ethos and values of the Trust and to work as part of a collaborative endeavour. The current geographical areas are Portsmouth/ South East Hampshire; West Sussex Coastal Strip with a focus on Chichester and Arun Districts; Whitehill and Bordon and surrounding areas. In October 2017 we were delighted to welcome Langstone Infants School and Langstone Junior School, both from Portsmouth, to our Trust in line with this targeted growth strategy.

We plan to develop the Trust in three strands:

Strand 1: To continue to increase the number of good and outstanding schools in the MAT with priority given to schools in Portsmouth/Waterlooville area so that we can develop and enhance our school to school support programme and develop the role of the Trust as a key partner in the Portsmouth Education Partnership.

Strand 2: To increase the number of academies in the Bordon area linked to the rebuild of Mill Chase School and the Whitehill and Bordon regeneration programme and develop Mill Chase as a Centre of Excellence for teacher training and professional development linked to the University Institute of Education which is poorly served in this area. We would also hope to not only support the schools in the Trust but also to support other schools in this area of Hampshire and possibly across the border into West Sussex.

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Strand 3: To increase the number of academies along the West Sussex coastal strip to include bidding for new schools and potentially creating one or two additional clusters with proximity to the University resources so that they are able to benefit directly from them for curriculum enhancement and enrichment.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Strand 1							
Strand 2							
Strand 3							

The development of the three strands will not be a linear process we will initially develop a rural and a coastal group of academies with the objective of building sustainable and self-supporting learning communities.

- Employer of Choice
 The Trust has developed a single pay and rewards strategy and will continue to develop that strategy to ensure that as an employer we are providing support for new staff, opportunities for existing staff to grow and develop and improve their skills and develop their leadership capacity in a safe and supportive environment and opportunities for secondments, transfers and trust wide projects will be provided to develop skills of system leadership beyond the individual school.

The Trust values its leaders highly and has been recognised by Ofsted for its high quality leadership both centrally and within the schools. Heads and Chairs of Governors play a very important role in the leadership of the Trust through the Advisory Group and individual headteachers who have been in the Trust for more than three years are encouraged to take on Trust wide leadership roles both to share good practice and to extend their own personal development. The Trust is now a partner with Aspiration School leaders to deliver the NPQ suite of leadership qualifications. These programmes will use trust leaders as facilitators and course tutors as well as providing training for staff new in post and aspirant leaders.

With its expertise in teacher training the Trust will support the University based ITT and PGCE programmes providing input to course modules and placements for students, The trust will also run a School Direct programme in partnership with the University offering school based training opportunities for prospective teachers. As the apprenticeship programme develops we will also consider offering this option in the future.

- School of choice for local communities
 Our schools are an eclectic mix of schools, primary and secondary, rural and urban, small and large and the Trust has a strongly held belief that all schools are unique and should develop to serve the needs of the children and the communities they serve. Schools all have their own community engagement programme and as part of that programme the links to the University are made clear and its strong drive for high aspirations and encouraging every child and staff member to exceed their own expectations. The University branding is used alongside the schools own brand and opportunities are used to demonstrate how the children and staff are benefiting from their engagement with the University which is one of the unique selling points for the school.
- A curriculum inspiring pupils to learn encouraging strong progress and improving standards and effectiveness
 The Trust has a curriculum statement which was developed by its schools. It has adopted the statement across all of its schools and schools are looking at ways of developing that to ensure that we are valuing and

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developing the wider curriculum and we share good practice across the Academy Trust in this regard. Many of the Ofsted inspections of our primary academies were very positive about the curriculum with Flying Bull being celebrated for creating a vibrant, collaborative culture where pupils want to achieve their best and Berewood being celebrated for an exciting curriculum which inspires pupils to learn. We will encourage curriculum deputies to visit each other's schools and will establish a deputy heads network where practice can be discussed and best practice shared.

- **Securing Financial sustainability**
The focus this year in the drive for financial sustainability is to ensure that all schools work within their budget and aim for a surplus at the end of the year. The new Conditions Improvement fund expected by the Trust will be used to target building needs and further bids will be made to the Teaching Schools and the Strategic School Improvement fund to secure funding to support new innovative improvement programmes.
- **Improving quality of learning environments**
The Trust will work with its academies and their Local Authorities to improve the learning environment for pupils. A programme of works will be prepared using the academy five year premises plans and prioritising work across our academies. Two new build academies will be developed and the Trust will also look to open new schools in areas of basic need in its target areas.
- **Data Protection**
The Trust will need to position itself to meet the new exacting data protection requirements which come into force in May of next year. A data audit will be undertaken centrally and across our schools and following the actions identified training will be provided to headteachers and business managers and to all staff where appropriate. A Trustee will also take a lead role in the governance of this area.

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 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 14 December 2017 and signed on the board's behalf by



Professor Jane Longmore

Chair of Board

14 December 2017

**University of Chichester (Multi) Academy Trust
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**Governance statement
For the year ended 31 August 2017**

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' Annual Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
C Behagg	3	3
Professor Jane Longmore	1	1
Jill Cook	4	4
Richard Edwards	3	4
Kaye Forest	2	4
Michael Grant	3	4
Charles Gregson	1	4
Deamonn Hewett-Dale	3	4
Romy Jones	2	4
David Myers	4	4
Graham Olway	4	4
Philip Robinson	3	4
Sue Samson	4	4
Jon Spence	2	4
Joe Vitagliano	1	1

Clive Behagg retired during the year and was replaced by Professor Jane Longmore. Joe Vitagliano resigned during the year and Philip Robinson and Kaye Forrest resigned at the end of the year. We are currently recruiting their replacements.

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Membership of the Finance and Audit Committee is as follows:

Philip Robinson
Richard Edwards
Charles Gregson
Sue Samson (Chief Executive and Accounting Officer)
David Myers
Kevin Jones (Director of Finance and Performance University of Chichester)

Graham Olway (Trustee) also attended the committee by invitation.

Trustee	Meetings attended	Out of a possible
Philip Robinson	5	5
Richard Edwards	3	5
Sue Samson (Chief Executive and Accounting Officer)	4	5
Charles Gregson	3	5
David Myers	5	5
Kevin Jones	5	5

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

The remit of the Finance and Audit Committee is to assist the Board in fulfilling its statutory responsibilities as laid out in the Master Funding Agreement and the Academies Financial Handbook. Issues considered during the year were:

- Setting and monitoring the Financial strategy
- Monitoring key performance indicators
- Monitoring the HR and payroll project
- Setting an internal audit programme for 2016-17 and approving its results and recommendations
- Approving budgets for academies and the central Trust
- Reviewing management accounts for academies and central Trust
- Setting the reserves policy
- Ensuring no instances of fraud
- Reviewing statutory returns to ESFA

Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the education and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

1. Procurement from previous local authorities using their accredited framework providers.
2. Procurement using the University of Chichester framework of preferred providers.
3. Procurement using the Trust's Procurement Policy.
4. Quality assurance of service providers by the Director of Financial and Commercial Services and colleagues in the central Trust team.
5. Time limited contracts with built-in review arrangements.

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6. Termination clauses in contracts if quality is not at an acceptable level, as defined by set parameters.
7. Monitoring of all school payments over £10,000 to ensure that school resources are being spent appropriately.

The academies have also carried out procurement exercises during the year in the areas of photocopying and IT licensing.

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 year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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

During the year we continued to carry out the internal audit on our academies internally in order to give us more insight into our academies; three members of the Finance team, who are professionally experienced auditors, carried out the audits.

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 year to 31 August 2017 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.

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.
- regular reviews by the internal audit function of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

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For the year ended 31 August 2017**

The Board considered the need for a specific internal audit function and decided to utilise the professional experience of Helen Turner, Director of Financial and Commercial Services, Linda Corkett, Finance Manager and Aksana Trifonos all of whom are experienced auditors, to carry out a programme of internal checks in the following areas:

- Payroll
- Bank & Cash
- Processes for recording and payment of invoices (Proper use of Funds)

The outcomes of the internal audits were reported to the Finance and Audit Committee in September 2017. There were no material control issues.

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 Kreston Reeves 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 work of the Finance and Audit Committee.
- The internal audit programme carried out by the Finance team.
- The financial strategy and actions associated with it.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal and external 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 14 December 2017 and signed on its behalf by:



Professor Jane Longmore

Chair of Board



Sue Samson

Accounting Officer

**University of Chichester (Multi) Academy Trust
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**Statement on regularity, propriety and compliance
For the year ended 31 August 2017**

As Accounting Officer of the University of Chichester 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 ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Sue Samson
Accounting Officer
14 December 2017**

**University of Chichester (Multi) Academy Trust
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**Statement of Trustees' responsibilities
For the year ended 31 August 2017**

The Trustees (who act as governors of the University of Chichester Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual 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 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 14 December 2017 and signed on its behalf by:



**Professor Jane Longmore
Chair of Board**

14.12.17

University of Chichester (Multi) Academy Trust
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Independent auditors' report on the financial statements to the members of University of Chichester (Multi) Academy Trust

Opinion

We have audited the financial statements of University of Chichester (Multi) Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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Independent auditors' report on the financial statements to the members of University of Chichester (Multi) Academy Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Independent auditors' report on the financial statements to the members of University of Chichester (Multi) Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

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



Simon Webber BA (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Kreston Reeves LLP, Statutory Auditor

Chartered Accountants
9 Donnington Park
85 Birdham Road
Chichester
West Sussex

PO20 7AJ

Date: 14th December 2017

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to University of Chichester (Multi) Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 April 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University of Chichester (Multi) Academy Trust during the year 1 September 2016 to 31 August 2017 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 University of Chichester (Multi) Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to University of Chichester (Multi) Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than University of Chichester (Multi) Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of 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 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to University of Chichester (Multi) Academy Trust and the Education and Skills Funding Agency (continued)

Work undertaken

The work undertaken to draw our conclusion includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Ensured that grants have been applied for the purposes intended
- Confirmed internal control procedures exist relating to expenditure incurred of cash
- Confirmed items claimed on cash are not for personal benefit
- Reviewed expenditure and considered whether any supply from related parties
- Reviewed minutes for declarations of interest
- Considered whether other income activities are permitted within the Academy Trust's charitable objects.
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kreston Reeves LLP

Reporting accountant

Date: 14th December 2017

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 August 2017


		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
Income from:						
Donations & capital grants:						
Transfer on conversion	2	715	(2,160)	19,941	18,496	-
Other donations and capital grants	2	53	222	875	1,150	437
Charitable activities	3	-	14,114	-	14,114	9,422
Investments	4	-	2	-	2	6
Other trading activities	5	187	98	-	285	175
Total income		955	12,276	20,816	34,047	10,040
Expenditure on:						
Raising funds		29	-	-	29	35
Charitable activities		11	15,567	1,841	17,419	11,642
Total expenditure	6	40	15,567	1,841	17,448	11,677
Net income / (expenditure) before transfers		915	(3,291)	18,975	16,599	(1,637)
Transfers between Funds	17	-	(71)	71	-	-
Net income / (expenditure) before other recognised gains and losses		915	(3,362)	19,046	16,599	(1,637)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,122	-	1,122	(1,166)
Net movement in funds		915	(2,240)	19,046	17,721	(2,803)
Reconciliation of funds:						
Total funds brought forward		169	(2,145)	39,296	37,320	40,123
Total funds carried forward		1,084	(4,385)	58,342	55,041	37,320

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)
Registered number: 08595545

Balance sheet
As at 31 August 2017

	Note	£000	2017 £000	£000	2016 £000
Fixed assets					
Tangible assets	13		58,289		39,300
Current assets					
Debtors	14	1,558		681	
Cash at bank and in hand		1,592		1,592	
		3,150		2,273	
Creditors: amounts falling due within one year	15	(2,107)		(1,460)	
Net current assets			1,043		813
Total assets less current liabilities			59,332		40,113
Creditors: amounts falling due after more than one year	16		(417)		(475)
Net assets excluding pension scheme liabilities			58,915		39,638
Defined benefit pension scheme liability	22		(3,874)		(2,318)
Net assets including pension scheme liabilities			55,041		37,320
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	(511)		173	
Restricted fixed asset funds	17	58,342		39,296	
Restricted income funds excluding pension liability		57,831		39,469	
Pension reserve		(3,874)		(2,318)	
Total restricted income funds			53,957		37,151
Unrestricted income funds	17		1,084		169
Total funds			55,041		37,320

The financial statements on pages 40 to 72 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:


Professor Jane Longmore
Chair of Board

14.12.17

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>71</u>	<u>316</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2	6
Purchase of tangible fixed assets		(889)	(396)
Capital grants from DfE/ESFA		874	269
Net cash used in investing activities		<u>(13)</u>	<u>(121)</u>
Cash flows from financing activities:			
Repayments of borrowings		(58)	(50)
Net cash used in financing activities		<u>(58)</u>	<u>(50)</u>
Change in cash and cash equivalents in the year		-	145
Cash and cash equivalents brought forward		1,592	1,447
Cash and cash equivalents carried forward	20	<u>1,592</u>	<u>1,592</u>

University of Chichester (Multi) Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

University of Chichester (Multi) Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

Long-term leasehold property	-	Over the life of the lease or estimated useful life if less
Building additions	-	Over the life of the lease or estimated useful life if less
Equipment	-	5 years or estimated useful 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 incorporating income and expenditure account.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

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

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

1.13 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Court Lane Infant School, Court Lane Junior School, Highbury Primary School and Arundel Court Primary School to academies have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

1.14 Fund accounting

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

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

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

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trust had four schools join them on conversion in the year, as described in 1.13. Assets inherited on conversion are recognised at fair value.

For the land and buildings two of the joining schools had professional valuations, Court Lane Infant School and Court Lane Junior School. Arundel Court Primary School and Highbury Primary School do not yet have professional valuations. In accordance with ESFA recent guidance, the valuation has been estimated with reference to the latest available valuation from the transferring local authority. The fair value for the land and buildings assessed by the local authority is £5,006,000.

For the other tangible assets inherited, fair value was assessed using the depreciated replacement cost of the items inherited totalling £385,350 for all four schools.

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transfer on conversion	715	(2,160)	19,941	18,496	-
Donations	44	151	-	195	117
Capital grants	-	-	875	875	269
Other donations	9	71	-	80	51
Subtotal	53	222	875	1,150	437
	768	(1,938)	20,816	19,646	437
<i>Total 2016</i>	41	127	269	437	

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General annual grant	-	11,693	11,693	7,826
Pupil premium	-	1,067	1,067	727
Start-up grants	-	100	100	50
Other EFA grants excluding capital	-	471	471	223
	-	13,331	13,331	8,826
Other government grants				
Special education needs funding	-	400	400	242
Local authority nursery funding	-	199	199	199
Student placements	-	7	7	2
Local authority grants	-	10	10	54
	-	616	616	497
Other income from academy trust's educational operations				
Catering income	-	120	120	49
Provision of education services to other schools	-	48	48	50
	-	168	168	99
	-	14,115	14,115	9,422
<i>Total 2016</i>	-	9,422	9,422	

4. Investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Short term deposits	-	2	2	6
<i>Total 2016</i>	-	6	6	

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

5. Other trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Lettings income	161	-	161	145
Uniform sales	9	-	9	4
Sales of goods and services	17	-	17	2
Sundry	-	98	98	24
	<u>187</u>	<u>98</u>	<u>285</u>	<u>175</u>
<i>Total 2016</i>	<u>151</u>	<u>24</u>	<u>175</u>	

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on fundraising trading	-	-	29	29	35
Educational operations:					
Direct costs	9,893	-	791	10,684	7,211
Support costs	2,513	2,555	1,667	6,735	4,430
	<u>12,406</u>	<u>2,555</u>	<u>2,487</u>	<u>17,448</u>	<u>11,676</u>
<i>Total 2016</i>	<u>7,963</u>	<u>1,931</u>	<u>1,782</u>	<u>11,676</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Educational operations	<u>10,684</u>	<u>6,735</u>	<u>17,419</u>	<u>11,641</u>
<i>Total 2016</i>	<u>7,211</u>	<u>4,430</u>	<u>11,641</u>	

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations £000	Total 2017 £000	Total 2016 £000
Staff costs	2,513	2,513	1,304
Depreciation	1,841	1,841	1,422
Premises costs	714	714	616
Other support costs	1,576	1,576	1,033
Governance costs	91	91	55
	<u>6,735</u>	<u>6,735</u>	<u>4,430</u>
<i>At 31 August 2016</i>	<u>4,430</u>	<u>4,430</u>	

8. Net income/(expenditure)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets: - owned by the charity	1,841	1,422
Auditors' remuneration - audit	32	27
Auditors' remuneration - other services	10	5
Operating lease rentals	17	13
	<u>1,900</u>	<u>1,467</u>

University of Chichester (Multi) Academy Trust
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Notes to the financial statements
For the year ended 31 August 2017

9. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	9,431	6,407
Social security costs	800	434
Operating costs of defined benefit pension schemes	1,949	1,000
	<u>12,180</u>	<u>7,841</u>
Apprenticeship levy	14	-
Supply teacher costs	212	122
	<u>12,406</u>	<u>7,963</u>

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

	2017 No.	2016 No.
Teachers	158	95
Administrative support	447	186
Management	22	14
	<u>627</u>	<u>295</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	0
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	2	0

The key management personnel of the academy trust comprise the Trustees and the members of the senior team listed on page 1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £464,497 (2016: £396,147).

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Notes to the financial statements
For the year ended 31 August 2017

10. Central services

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

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

The Trust charges for these services on the following basis:

The trust charges a central contribution based on the school's previous OFSTED category together with an assessment by the CEO, which is a percentage of the General Annual Grant as follows but with discretion to vary this by +/- 1%.

Outstanding	4% (5% in year 1)	+/- 1%
Good	4% (5% in year 1)	+/- 1%
Requires improvement	6%	+/- 1%
Serious weaknesses	8.5%	+/- 1%
Special Measures	8.5%	+/- 1%

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
Arundel Court	43	-
Berewood Primary School	37	36
Court Lane Infant School	62	-
Court Lane Junior School	76	-
Fernhurst Primary School	35	33
Flying Bull Academy	68	66
Frogmore Junior School	51	59
Highbury Primary School	12	-
Kingsham Primary School	77	87
Mill Chase Academy	168	212
	629	493
Total	629	493

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£000	£000
Sue Samson (CEO and Trustee)	Remuneration	80-85	80-85
	Pension contributions paid	Nil	Nil
Deamonn Hewett-Dale (Staff Trustee)	Remuneration	100-105	95-100
	Pension contributions paid	10-15	10-15
Richard Edwards (Staff Trustee)	Remuneration	55-60	55-60
	Pension contributions paid	5-10	5-10

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £Nil).

12. Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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13. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2016	42,163	74	354	42,591
Additions	866	11	12	889
Disposals	-	-	(18)	(18)
Donated to Trust on conversion	19,556	110	275	19,941
	<u>62,585</u>	<u>195</u>	<u>623</u>	<u>63,403</u>
Depreciation				
At 1 September 2016	3,123	40	128	3,291
Charge for the year	1,701	37	103	1,841
On disposals	-	-	(18)	(18)
	<u>4,824</u>	<u>77</u>	<u>213</u>	<u>5,114</u>
Net book value				
At 31 August 2017	<u>57,761</u>	<u>118</u>	<u>410</u>	<u>58,289</u>
At 31 August 2016	<u>39,040</u>	<u>34</u>	<u>226</u>	<u>39,300</u>

Long term Leasehold property additions includes £5,006,000 of land and buildings transferred on conversion in respect of Arundel Court Primary School and Highbury Primary School (note 27). ESFA valuation data is not available until January 2018 and accordingly the Directors have assessed fair value with reference to the most recent depreciated replacement cost valuation from Portsmouth County Council (the transferring authority).

14. Debtors

	2017 £000	2016 £000
Trade debtors	34	16
Other debtors	2	15
Prepayments and accrued income	1,072	313
VAT recoverable	450	337
	<u>1,558</u>	<u>681</u>

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15. Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Other loans	53	53
Trade creditors	504	525
Other taxation and social security	231	136
Pension	231	56
Other creditors	5	5
Accruals and deferred income	1,083	685
	<u>2,107</u>	<u>1,460</u>
	<u>2,107</u>	<u>1,460</u>
	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	484	42
Resources deferred during the year	860	484
Amounts released from previous years	(484)	(42)
	<u>860</u>	<u>484</u>
Deferred income at 31 August 2017	<u>860</u>	<u>484</u>

At the balance sheet date the multi academy trust held funds received in advance for the Frogmore Condition improvement fund capital project of £649,912 (2016: £361,729). Rates relief income of £12,615 (2016: £16,432); Universal Free School Meals grant income of £124,487 (2016: £67,682); school trips monies received in advance of £5,855 (2016: £17,875); EHCP funding of £1,778 (2016: £NIL); Growth contingency funding of £32,280 (2016: £NIL); other funding of £9,785 (2016: £NIL) and LA funding of £23,770 (2016: £20,000).

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

	2017	2016
	£000	£000
Other loans	417	475
	<u>417</u>	<u>475</u>

Other loans shows the loan from the University of Chichester which represents re-charges of staff and other costs from the date of incorporation until the end of January 2015. The re-charges have been made at cost and stand at £454,418 at the end of the year (2016: £512,475). The ESFA has granted permission for this loan agreement. Further details regarding the loan are disclosed in Note 25.

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For the year ended 31 August 2017

17. Statement of funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains, (Losses) and transfers £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted Funds	169	955	(40)	-	-	1,084
Restricted funds						
General Annual Grant (GAG)	173	11,685	(12,309)	(71)	-	(522)
Other DFE/EFA grants	-	1,637	(1,626)	-	-	11
SEN funding	-	400	(400)	-	-	-
Provision of curriculum services to other schools	-	48	(48)	-	-	-
Student placements	-	9	(9)	-	-	-
Other income	-	557	(557)	-	-	-
Sundry	-	98	(98)	-	-	-
Investment income	-	2	(2)	-	-	-
Pension reserve	(2,318)	(2,160)	(518)	-	1,122	(3,874)
	<u>(2,145)</u>	<u>12,276</u>	<u>(15,567)</u>	<u>(71)</u>	<u>1,122</u>	<u>(4,385)</u>
Restricted fixed asset funds						
Net book value of tangible fixed assets	39,300	19,942	(1,841)	886	-	58,287
DFE/EFA capital grants	(4)	874	-	(815)	-	55
	<u>39,296</u>	<u>20,816</u>	<u>(1,841)</u>	<u>71</u>	<u>-</u>	<u>58,342</u>
Total restricted funds	<u>37,151</u>	<u>33,092</u>	<u>(17,408)</u>	<u>-</u>	<u>1,122</u>	<u>53,957</u>
Total of funds	<u><u>37,320</u></u>	<u><u>34,047</u></u>	<u><u>(17,448)</u></u>	<u><u>-</u></u>	<u><u>1,122</u></u>	<u><u>55,041</u></u>

Statement of funds - prior year

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains, (Losses) and transfers £000	Balance at 31 August 2016 £000
Unrestricted funds						
Total unrestricted funds	12	192	(35)	-	-	169
	<u>12</u>	<u>192</u>	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>169</u>

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17. Statement of funds (continued)

Restricted funds

General Annual Grant	701	7,654	(8,198)	-	5	162
Other DfE/ESFA grants	-	1,172	(1,161)	-	-	11
SEN funding	-	242	(242)	-	-	-
Provision of curriculum services to other schools	-	51	(51)	-	-	-
Student placements	-	2	(2)	-	-	-
Other income	-	428	(428)	-	-	-
Sundry	-	25	(25)	-	-	-
Investment income	-	6	(6)	-	-	-
Defined benefit pension scheme deficit	(1,044)	-	(108)	-	(1,166)	(2,318)
	<u>(343)</u>	<u>9,580</u>	<u>(10,221)</u>	<u>-</u>	<u>(1,161)</u>	<u>(2,145)</u>

Restricted fixed asset funds

Net book value of tangible fixed assets	40,267	-	(1,423)	-	456	39,300
DfE/ESFA capital grants	188	269	-	-	(461)	(4)
	<u>40,455</u>	<u>269</u>	<u>(1,423)</u>	<u>-</u>	<u>(5)</u>	<u>39,296</u>
Total restricted funds	<u>40,112</u>	<u>9,849</u>	<u>(11,644)</u>	<u>-</u>	<u>(1,166)</u>	<u>37,151</u>
Total of funds	<u><u>40,124</u></u>	<u><u>10,041</u></u>	<u><u>(11,679)</u></u>	<u><u>-</u></u>	<u><u>(1,166)</u></u>	<u><u>37,320</u></u>

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

Restricted general funds include all grant income received from the ESFA/DfE or Local Authority during the period. This fund is restricted to providing education at the academies within the multi academy trust. Under the funding agreement with the Secretary of State the multi academy trust is subject to a limit on the amount of General Annual Grant that it can carry forward at 31 August 2017 for Berewood Primary School.

Restricted General Funds show a deficit balance at the end of the year. This deficit has arisen partly as a result of the Trust's central start-up costs not being fully funded during the first four years until it reached a break-even position and partly through our ex-special measures schools requiring substantial investment to help them to improve and reach a financially viable size.

The Trustees are taking the following steps to address this and return the fund to a surplus:

- Working closely with all academies, especially those that were previously in special measures, to help them to set sustainable budgets.
- Making a request to the Regional Schools Commissioner for an indicative funding model for Mill Chase Academy to reflect the expected growth in pupil numbers as the town of Bordon is developed and new houses are built.
- Making a request to Hampshire County Council for growth funding for Mill Chase Academy.
- Continuing to take on new academies to bring in additional funds.

Other DfE/ESFA grants include Pupil Premium, Start up grants, Universal Infant Free School Meals income, Education Services Grant, rates reimbursement and PE and Sports grant. All grants are restricted to the purpose for which they are given.

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17. Statement of funds (continued)

Special Education Needs (SEN) Funding is provided by the Local Authority to give additional support to pupils with Education Health Care Plans; the funds are restricted to this purpose.

Income received for the provision of curriculum services is for vocational courses offered by Mill Chase Academy to Year 10 pupils in other schools. The income comes from the schools at which the pupils attending the courses are permanently based and is used for the purpose of delivering these courses.

Other income mainly comprises Local Authority funding for Nursery provision and speech and language provision.

The defined benefit pension scheme fund is the Local Government Pension Scheme (LGPS) for support staff.

Restricted fixed asset funds comprise the leasehold land and buildings transferred to the multi academy trust on conversion and held on 125 year leases together with Devolved Formula Capital Grant for the period. Depreciation for these fixed assets is charged to this fund. Transfers from Restricted General Funds to the Restricted Fixed Asset Fund relate to fixed asset purchases from these funds.

Unrestricted funds include income from donations and other voluntary contributions towards the provision of extra-curricular activities. Expenditure from unrestricted funds includes the costs of providing extra curricular activities.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Arundel Court Primary School	361	-
Berewood Primary School	38	-
Court Lane Infant School	241	-
Court Lane Junior School	28	-
Fernhurst Primary School	72	61
Flying Bull Academy	243	153
Frogmore Junior School	(168)	(66)
Highbury Primary School	22	-
Kingsham Primary School	(12)	47
Mill Chase Academy	517	835
UniCAT	(769)	(688)
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	573	342
Restricted fixed asset fund	58,342	39,296
Pension reserve	(3,874)	(2,318)
	<hr/>	<hr/>
Total	55,041	37,320
	<hr/> <hr/>	<hr/> <hr/>

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

Name of academy	Amount of deficit £000
Frogmore Junior School	(168)
Kingsham Primary School	(12)

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17. Statement of funds (continued)

The Trust is continuing to grow and obtain economies of scale to reduce the costs per school.

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

working closely with the Academies to identify cost savings/additional income.

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	Total 2016 £000
Arundel Court Primary School	738	194	51	125	1,108	-
Berewood Primary School	655	133	37	174	999	850
Court Lane Infant School	1,024	251	82	236	1,593	-
Court Lane Junior School	1,115	314	136	190	1,755	-
Fernhurst Primary School	576	88	52	133	849	806
Flying Bull Academy	1,850	568	112	377	2,907	2,819
Frogmore Junior School	565	101	78	184	928	926
Highbury Primary School	257	69	7	48	381	-
Kingsham Primary School	733	151	56	146	1,086	1,122
Mill Chase Academy	2,126	337	172	501	3,136	3,023
UniCAT	254	307	8	296	865	709
	9,893	2,513	791	2,410	15,607	10,255

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18. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	58,290	58,290
Current assets	1,084	2,014	52	3,150
Creditors due within one year	-	(2,108)	-	(2,108)
Creditors due in more than one year	-	(417)	-	(417)
Provisions for liabilities and charges	-	(3,874)	-	(3,874)
	<u>1,084</u>	<u>(4,385)</u>	<u>58,342</u>	<u>55,041</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	4	39,296	39,300
Current assets	169	2,104	-	2,273
Creditors due within one year	-	(1,460)	-	(1,460)
Creditors due in more than one year	-	(475)	-	(475)
Provisions for liabilities and charges	-	(2,318)	-	(2,318)
	<u>169</u>	<u>(2,145)</u>	<u>39,296</u>	<u>37,320</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000	2016 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	16,599	(1,637)
Adjustment for:		
Depreciation charges	1,841	1,422
Dividends, interest and rents from investments	(2)	(6)
(Increase)/decrease in debtors	(876)	331
Increase in creditors	646	367
Defined benefit pension scheme obligation inherited	2,160	-
Defined benefit pension scheme cost less contributions payable	449	73
Defined benefit pension scheme finance cost	69	35
Assets transferred from local authority on conversion	(19,941)	-
Capital grants from EFA and other capital income	(874)	(269)
Net cash provided by operating activities	<u>71</u>	<u>316</u>

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20. Analysis of cash and cash equivalents

	2017	2016
	£000	£000
Cash in hand	1,592	67
Notice deposits (less than 3 months)	-	1,525
Total	1,592	1,592

21. Capital commitments

The Trust was previously awarded a capital grant under the Condition Improvement Fund bidding round for 2016-17 for Frogmore Junior School. The grant is intended to fund the recladding of the SCOLA blocks in the school to address non-compliant glazing and Health and Safety concerns with end of life external wall cladding components. The amount of grant awarded was £1,636,198 of which £811,758 has been capitalised as at the reporting date.

22. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council for Arundel Court, Berewood, Court Lane Infant, Court Lane Junior, Flying Bull, Frogmore, Highbury and Mill Chase, and West Sussex County Council for Fernhurst and Kinsham. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £231,310 were payable to the schemes at 31 August 2017 (2016: £60,430) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

Notes to the financial statements
For the year ended 31 August 2017

22. Pension commitments (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £885,000 (2016: £568,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £630,026 (2016 - £418,381), of which employer's contributions totalled £448,130 (2016 - £323,713) and employees' contributions totalled £181,896 (2016 - £94,668). The agreed contribution rates for future years are 14.1% - 20.4% for employers and 5.5% - 12.5% 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.

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22. Pension commitments (continued)

Hampshire County Council

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.5%	2.0%
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment / inflation	2.0%	2.0%
Inflation assumption (CPI)	2.0%	2.0%

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

	2017	2016
Retiring today		
Male	24.0 years	24.6 years
Female	26.0 years	26.4 years
Retiring in 20 years		
Male	27.0 years	26.7 years
Female	29.3 years	28.7 years

West Sussex County Council

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	23.6 years	24.4 years
Females	25.0 years	25.8 years
Retiring in 20 years		
Males	26.0 years	26.9 years
Females	27.8 years	28.5 years

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22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	3,634	1,821
Bonds	1,643	671
Property	403	291
Cash and other liquid assets	181	137
Other	182	58
	<hr/>	<hr/>
Total market value of assets	6,043	2,978
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £114,000 (2016 - £340,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £000	2016 £000
Current service cost	982	396
Past service cost	-	2
Interest cost	162	122
Interest income	(93)	(87)
	<hr/>	<hr/>
Total cost	913	363
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	114	340
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £000	2016 £000
Opening defined benefit obligation	5,296	3,150
Upon conversion	4,473	-
Current service cost	982	396
Interest cost	162	122
Employee contributions	153	94
Actuarial (gains)/losses	(1,101)	1,560
Benefits paid	(48)	(28)
Past service costs	-	2
	<hr/>	<hr/>
Closing defined benefit obligation	9,917	5,296
	<hr/> <hr/>	<hr/> <hr/>

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22. Pension commitments (continued)

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

	2017	2016
	£000	£000
Opening fair value of scheme assets	2,978	2,106
Upon conversion	2,313	-
Interest income	93	87
Actuarial losses	21	394
Employer contributions	533	325
Employee contributions	153	94
Benefits paid	(48)	(28)
	<hr/>	<hr/>
Closing fair value of scheme assets	6,043	2,978
	<hr/> <hr/>	<hr/> <hr/>

23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£000	£000
Amounts payable:		
Within 1 year	56	17
Between 1 and 5 years	82	35
	<hr/>	<hr/>
Total	138	52
	<hr/> <hr/>	<hr/> <hr/>

24. 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.

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25. Related party transactions

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

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 (Multi) Academy Trust was subsequently set up by the University in July 2013.

The University has been proud to act as an academy trust sponsor and in this capacity it has provided the following services to the trust: these are either at cost, with no profit, or at a nil cost.

- Financial support in the form of a loan;
- Provision of seconded staff to work for the Trust;
- Provision of staff from the Institute of Education to deliver school improvement services to schools;
- IT services;
- Marketing and Communications;
- Estates;
- Health and Safety; and,
- Library services.

The provision of these services is made via a Supply of Services Agreement between the University and the Trust, the details of which are set out in the Sponsor's Agreement.

From the date of incorporation until January 2015 the cost of providing the above services was added to a loan account rather than being invoiced to the trust; this was to enable to the trust to generate some cash to enable it to move towards a position of financial sustainability. No cash has changed hands and the loan represents re-charges for services provided to the trust. From January 2015 the University began invoicing the trust instead of adding the costs to the loan account.

A loan agreement is in place for an amount of £582,000 (2016: £582,000) and the balance outstanding is £454,418 (2016: £512,475). The loan is unsecured and there is no interest charge and no penalties for early repayment. Details of the repayments are shown in Note 16 to the accounts.

The total cost of the services provided by the University to the central trust team during the year was as follows:

	Direct cost	Direct cost
	2017	2016
	£000	£000
Seconded staff	511	506
School improvement services from institute of education	56	37
Marketing and Communications - additional direct costs	10	12
	<hr/>	<hr/>
	577	555
	<hr/> <hr/>	<hr/> <hr/>

In addition, the University provided some education courses to individual academies as follows: these services were provided at the standard rate for the University's courses:

- Mill Chase £675 (2016: £870);
- Flying Bull £Nil (2016: £945);
- Kingsham £Nil (2016: £3,174);
- Fernhurst £Nil (2016: £2,079);
- Berewood £Nil (2016: £135).

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25. Related party transactions (continued)

Kingsham Primary School received funding of £430 (2016: £1,987) from the University for some PGCE students who were placed at the school.

Under the Articles of Association the Membership of the Trust Board includes the Vice Chancellor, the Deputy Vice Chancellor, the Director of Education and the Chair of the University's Finance Committee. None of these Trustees receives any remuneration from the Trust nor are paid for their role as Trustees.

There are currently eleven Trustees, six of whom are required by the Articles to be appointed by the University.

Mr D Hewett-Dale is a Trustee and the Head teacher of Flying Bull Primary School; his spouse is employed by the Trust as a Pupil Support Worker/ Finance and Grants Officer, both having held these positions as employees of Portsmouth Council prior to the school joining the Trust. As a member of staff, his spouse is remunerated by the Trust, and is subject to the same human resources policies as similarly employed members of staff, including the setting of remuneration, and the consideration of safeguards over potential conflicts of interest as set out in the Trust's financial regulations. The remuneration of all staff is overseen by the Trustees as a body, however, Mr D Hewett-Dale is not involved in the discussions or decisions of the Trustees relating to the remuneration of his spouse. The remuneration of the spouse of Mr D Hewett-Dale is not included in the aggregate remuneration of Key Management Personnel disclosed in the staff costs note. Total Remuneration, including employers national insurance and pension contributions was between £10,001 - £20,000 (2016: £10,001 - £20,000)

26. Post balance sheet events

Langstone Junior School and Langstone Infant School joined the Trust on 1 October 2017.

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27. Conversion of Academy

On 01 September 2016 Court Lane Infant School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from the Portsmouth Local Authority for £nil consideration.

On 01 September 2016 the Court Lane Junior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from the Portsmouth Local Authority for £nil consideration.

On 01 May 2017 the Highbury Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from the Portsmouth Local Authority for £nil consideration.

On 01 July 2017 the Arundel Court Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred the Trust from the Portsmouth Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total £000
Court Lane Infant School				
Leasehold land and buildings	-	-	6,500	6,500
Other tangible fixed assets	-	-	98	98
LA Budget surplus	226	-	-	226
LGPS Pension deficit	-	(484)	-	(484)
Total	226	(484)	6,598	6,340
Court Lane Junior School				
Leasehold land and buildings	-	-	8,050	8,050
Other tangible fixed assets	-	-	76	76
LA Budget surplus	27	-	-	27
LGPS Pension deficit	-	(470)	-	(470)
Total	27	(470)	8,126	7,683
Highbury Primary School				
Leasehold land and buildings	-	-	3,037	3,037
Other tangible fixed assets	-	-	77	77
LA Budget surplus	94	-	-	94
LGPS Pension deficit	-	(459)	-	(459)
Total	94	(459)	3,114	2,749

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Arundel Court Primary School

Leasehold land and buildings	-	-	1,969	1,969
Other tangible fixed assets	-	-	134	134
LA Budget surplus	368	-	-	368
LGPS Pension deficit	-	(747)	-	(747)
Total	368	(747)	2,103	1,724
Total transferred to trust	715	(2,160)	19,941	18,496

The Leasehold Land and buildings transferred are subject to a 125 year lease agreement.