



CHRYSALIS MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**TRUSTEES' REPORT &
FINANCIAL STATEMENTS**

**for the period
1 September 2018 to 31 August 2019**



**Company Registration Number:
07557868 (England and Wales)**

CHRYSLIS MULTI ACADEMY TRUST

FINANCIAL STATEMENTS

Period 1 September 2018 to 31 August 2019

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CHRYSLIS MULTI ACADEMY TRUST

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FINANCIAL STATEMENTS

Period 1 September 2018 to 31 August 2019

REFERENCE & ADMINISTRATIVE DETAILS

Members

Mr S.R. Brunswick (Chairman)
Ms F. Aldridge
Mr I. Phillips
Dr. D.J.M. Wright

Trustees

Mr S.R. Brunswick (Chairman)
Ms R. Kapashi (Resigned 25th June 2019)
Mr S. Kataria
Mr N.C. Molden (Appointed 1st September 2018)
Mr F.T. Molloy (Appointed 1st September 2018 Resigned 1st September 2019)
Ms B. Ragheb (Appointed 1st September 2018)
Ms O. Louisy (Resigned 1st September 2018)
Mr N. Sanghrajka (Appointed 8th of October 2018)
Rev G. Thomas (Resigned 1st September 2018)
Mr M. Vadgama (Appointed 8th October 2018)

Senior Management Team

Ms B. Ragheb (Executive Headteacher and Sudbury Primary School Headteacher)
Ms N. Boughey (Claremont High School Headteacher)
Ms K. Mistry (Sudbury Primary School Head of School)
Ms C. Thompson (Chrysalis Multi Academy Trust Chief Financial Officer)

Company Number

Chrysalis Multi Academy Trust
7557868 (England & Wales)

Principal and Registered Office

Claremont Avenue
Kenton
Harrow
Middlesex HA3 0UH

CHRYSLIS MULTI ACADEMY TRUST

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REFERENCE & ADMINISTRATIVE DETAILS (Continued)

Independent Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Internal Auditor

Landau Baker
154 Brent Street
Hendon
London NW4 2DR

Bankers

Barclays Business Banking
P.O. Box 13555
Acorn House
36/38 Park Royal Road
London NW10 7WJ

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

TRUSTEES' REPORT**Period 1 September 2018 to 31 August 2019**

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2019. The Trustees' report serves the purposes of both a Trustees' report and a Directors' report under company law. On the 1st of June 2017 the name of the Company was changed from Claremont High School Academy Trust and the objects of the Company were also changed to allow the Company to become a Multi Academy Trust (MAT). Claremont High School is the lead academy within the academy trust and on the 1st of November 2017 Sudbury Primary School joined the academy trust.

During the year an academy trust, in the London Borough of Brent, was operated consisting of:

- Claremont High School for pupils aged 11 to 19 with a pupil capacity of 1,650 and a roll of 1,610 in the school census on the 31 January 2019.
- Sudbury Primary School for pupils aged 3 to 11 with a pupil capacity of 930 and a roll of 928 in the school census on the 31 January 2019.

Both academies admit pupils in accordance with the London Borough of Brent's coordinated admission scheme for primary and secondary schools. Where the number of applications exceed the number of places available an oversubscription criteria is followed.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The academy trust is a company limited by guarantee with no share capital (registration number 07557868) and is also an exempt charity. As an exempt charity, it is not required to be registered with the Charity Commission and instead is regulated by the Education and Skills Funding Agency (ESFA) on behalf of the Department of Education. Chrysalis Education Trading Limited (Number 097813800) is a separate trading subsidiary and is wholly owned by the academy trust.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Chrysalis Multi Academy Trust are also directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Chrysalis Multi Academy Trust undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The academy trust has taken out cover with third party insurance providers relating to Trustees' indemnity at a total cost of £983. The limit of indemnity cover is £1 million.

TRUSTEES' REPORT (Continued)**STRUCTURE, GOVERNANCE AND MANAGEMENT** (Continued)**Method of Recruitment and Appointment or Election of Trustees**

The number of Trustees shall not be less than 3 and a maximum of 8 Trustees can be appointed by ordinary resolution.

In the year there were 8 Trustees of which 1 Trustee served on the Local Governing Body of Claremont High School and 1 on the Local Governing Body of Sudbury Primary School.

The academy trust uses the website 'Inspiring Governance' which provides free recruitment resources to small multi academy trusts, like Chrysalis Multi Academy Trust, looking to strengthen their board of Trustees. The website is used to connect skilled volunteers who are interested in serving as Trustees at Chrysalis Multi Academy Trust. Interested candidates are shortlisted and interviewed by the Executive Headteacher, the Chair of Trustees and other key management personnel. Those identified as having the necessary skillset from the interview process are then invited to attend Trustee meetings on a trial basis. If after this trial, the candidate(s) express the wish to be appointed, all Trustees vote on whether or not to appoint.

Policies and Procedures Adopted for the Induction and Training of Trustees

On appointment or election, each new Trustee is issued with a Handbook giving detailed information relevant to being a Trustee at Chrysalis Multi Academy Trust.

A meeting with the Chair of Trustees and Executive Headteacher is held and the structure and workings of the academy trust are explained including;

- An explanation of all current issues being dealt with by the academy trust.
- An explanation of the roles and responsibilities of senior leaders within the academy trust.

Trustees are also:

- Taken on a tour of each academy in the academy trust.
- Introduced to key personnel within the academy trust.

Trustees are made aware of what training courses are available and are encouraged to attend courses to enhance their contribution to their role as a Trustee of Chrysalis Multi Academy Trust.

Organisational Structure**The Trustees**

The Trustees are responsible for exercising oversight of the governance and management of the academy trust. In exercising their responsibilities, Trustees consider the advice given by the Executive Headteacher, other executive officers and the Chairs of the Local Governing Bodies as appropriate. The Trustees are responsible for setting general policy, adopting a 3 year plan and an annual budget, monitoring the academy trust by the use of results and budget and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

TRUSTEES' REPORT (Continued)**STRUCTURE, GOVERNANCE AND MANAGEMENT** (Continued)**The Executive Headteacher**

The Executive Headteacher is responsible for providing professional advice to the Trustees and all other relevant committees (including the Local Governing Bodies) regarding all matters of professional interest and concern that contribute to the successful development and operation of the academy trust and its academies.

Each Academy Headteacher

The Headteacher of Claremont High School reports directly to the Executive Headteacher (who is also the Headteacher of Sudbury Primary School) in relation to the direction and operation of the academy, while also retaining a substantial degree of autonomy and flexibility in carrying out their delegated responsibilities. Each academy Headteacher is responsible to the Local Governing Body on all matters of professional interest and concern that contribute to the successful development and operation of their academy.

Chief Financial Officer

The Chief Financial officer takes the lead in establishing a strong framework for implementing and maintaining good financial management across the trust.

Accounting Officer

The Executive Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Both the Executive Headteacher and Chief Financial Officer's salary are determined by the Trustees. The salary of the Headteacher at Claremont High School by the Executive Headteacher, the Chair of Trustees and the Local Governing Body of Claremont High School via the Personnel Committee. Other senior management salaries across the academy trust are determined by the Executive Headteacher and the respective Headteacher at Claremont High School. All decisions regarding the remuneration of key personnel are ratified by the Local Governing Body via the Personnel Committee(s).

TRUSTEES' REPORT (Continued)**STRUCTURE, GOVERNANCE AND MANAGEMENT** (Continued)**Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Section 2, the following summarises the academy trust's trade union activities in the year:

Relevant union officials

Number of employees who were relevant union officials during 2018/19	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
1-50%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£1,728
Total pay bill	£12,332,000
% Pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours calculated as: (total hours spent on trade union activities by relevant union officials during the relevant period + total paid facility time hours) x 100	18 hours
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Related Parties and other Connected Charities and Organisations

Chrysalis Multi Academy Trust has no connected party transactions. All Trustees complete a 'Register of Interest' form when they become a Trustee, to enable the academy trust to identify where any related parties may arise. In the event that a related party was identified, all decisions would still be based on the tender process but with an understanding of any interests. Any identified related parties would not participate in the decision-making process.

TRUSTEES' REPORT (Continued)**OBJECTIVES AND ACTIVITIES****Objects and Aims**

As defined in the articles of association, the principal object of the academy trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing an academy trust offering a broad and balanced curriculum.

This principal objective incorporates the provision and maintenance of the highest attainable education standards for its students.

Achievement and Outcomes Objective

The six key principles of the academy trust are:

Equity: Commitment to working together across the academy trust to improve the life chances of all learners through high performance expectations;

Learning: High quality teaching and learning for all key stages;

Leadership: Rigorous leadership that has an impact at all levels;

Curriculum: Establishing a positive growth mind set so that the academy trust is consistently developing and achieving strength through both challenge and creating opportunities for all;

Professional Development: High quality training and professional development for staff, Trustees and Governors;

Communication: Positive professional relationships between all staff and all stakeholders.

Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunities in all areas of its activities including creating a workplace environment in which the contribution and need of all people are fully valued.

Disabled Persons

The Trustees recognise their responsibility under disability legislation in relation to disabled students and employees and accessibility, in order to ensure that disabled students and employees do not receive less favourable treatment. The policy of the academy trust is to support the recruitment and retention of students and employees with disabilities by making resources available and through training and career development; and supports this by adapting the physical environment where practicable and reasonable.

Public Benefit

In setting the academy trust's objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

TRUSTEES' REPORT (Continued)**STRATEGIC REPORT****Achievements and Performance**

Achievements in 2018/19 were in line with defined objectives, aims and planning.

The allocation of resources and dedicated action by teaching staff ensured that all students had access to a high quality education.

Claremont High School

The allocation of resources and dedicated action by teaching staff had a positive impact on public examination passes. Notable achievements in public examinations include:

GCSE 2019

Excellent GCSE results with pass rates well above national averages

Key Measures	2019	2018
Progress 8	+0.70	+0.73
Attainment 8	5.7	5.6
English and Maths (9-4 passes)	81.2%	83%
English Baccalaureate (9-4 passes)	53%	43%

Post 16

A Level students continued to make good progress across a wide range of subjects in the 2018-19 Academic year.

- A Level pass rate of 99% with 47% of the grades A*, A or B.
- 99% of Year 13 achieving at least two A Level passes (or equivalent).

Key Measure	2019	2018
% A to B	47%	47%
% A to E	99%	96%
L3VA	+0.10	+0.16

TRUSTEES' REPORT (Continued)**Achievements and Performance** (Continued)**Sudbury Primary School**

The allocation of resources and dedicated action by teaching staff had a positive impact on results across the different Key Stages including:

Early Years Foundation Stage	% Achieving Good Level of Development	% Achieving at least expected in all 17 early learning goals	Average Point Score
	2019	2019	2019
National Average	72%	72%	34.6
Brent Average	72%	71%	33.6
Sudbury Primary School	78%	77%	34.4

Phonics Screening Check	Pupils meeting the standard by the end of Year 1
	2019
National Average	82%
Brent Average	83%
Sudbury Primary School	82%

Key Stage 1 SATS	Pupils meeting the expected standard	Pupils achieving greater depth
	2019	2019
Reading - National Average	75%	25%
Reading – Brent Average	74%	23%
Reading - Sudbury Primary School	78%	14%
Writing - National Average	69%	15%
Writing – Brent Average	68%	14%
Writing - Sudbury Primary School	73%	13%
Maths - National Average	76%	22%
Maths – Brent Average	76%	22%
Maths - Sudbury Primary School	79%	14%

TRUSTEES' REPORT (Continued)**Achievements and Performance** (Continued)**Sudbury Primary School**

Key Stage 2 SATS	Pupils meeting the expected standard	Pupils achieving greater depth
	2019	2019
Reading - National Average	73%	27%
Reading – Brent Average	74%	28%
Reading - Sudbury Primary School	80%	34%
Writing - National Average	79%	20%
Writing – Brent Average	80%	18%
Writing - Sudbury Primary School	83%	5%
Maths - National Average	79%	27%
Maths – Brent Average	84%	34%
Maths - Sudbury Primary School	93%	42%
Combined – National Average	65%	11%
Combined – Brent Average	68%	11%
Combined – Sudbury Primary School	75%	5%

Key Stage 1 – Key Stage 2 Progress Measures	2019*
Reading - National Average	0.0
Reading – Brent Average	0.8
Reading - Sudbury Primary School	1.6
Writing - National Average	0.0
Writing – Brent Average	0.5
Writing - Sudbury Primary School	-1.9
Maths - National Average	0.0
Maths – Brent Average	1.9
Maths - Sudbury Primary School	2.7

*No comparable data for 2018

TRUSTEES' REPORT (Continued)**STRATEGIC REPORT** (Continued)**Chrysalis Education Trading Limited**

Chrysalis Education Trading Limited (Number 097813800) is a separate trading subsidiary and is wholly owned by the academy trust to generate income through consulting work, loaning of employees and the running of Assessment Centres on behalf of the Local Authority of Brent.

Throughout the academic year, the Head of Music at Claremont High School was loaned to Sudbury Primary School on a 3 day a week basis to work as an Assistant Headteacher.

The Assessment Centres ran by the academy trust placed out of school secondary age students in schools across the Borough of Brent on behalf of the Local Authority. In total 232 out of school secondary age students were placed in schools across the Borough.

Going Concern

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

TRUSTEES' REPORT (Continued)**STRATEGIC REPORT** (Continued)
OPERATING & FINANCIAL REVIEW

The academy trust's main source of income is derived from the Education and Skills Funding Agency and the academy trust ensures that all of the terms and conditions of all funding agreements are complied with. The grants received during the year ended 31 August 2019 and the associated expenditure are shown in the Statement of Financial Activities - Page 26.

Unrestricted Fund

Net incoming resources for the year amounted to £1,162K before transfers (2018: £1,542K). The carry-forward surplus for the year is £2,627K (2018: £2,009K).

Restricted General Funds

Restricted incoming resources for the year which amounts to £14,724K (2018: £13,038K) is mainly comprised of grants receivable from Education and Skills Funding Agency. Restricted expenditure for the year amounted to £15,340K (2018: £14,009K) giving a deficit of £616K (2018: deficit £971K) before transfers.

Expenditure of £1,110K (2018: income of £560K) has been charged to satisfy the requirements of FRS102, Retirement Benefits, in relation to the academy's pension scheme liabilities - see Note 30 to the Financial Statements. The total Local Government Pension scheme (LGPS) liability stands at £3,806K (2018: £2,551K) and in the event of the academy trust closing the local government pension scheme liabilities will be met by the Department for Education.

The restricted fund deficit (including LGPS pension but excluding the fixed asset fund) carried forward at 31 August 2019 is £3,036K (2018: £1,310K).

Restricted Fixed Assets Fund

The balance on the Fund at 31 August 2019 is stated net of depreciation amounted to £52,860K (2018: £53,565K). Details of the movement are highlighted in Note 18 to the Financial Statements.

Reserves and their Application (including Reserves Policy)

Reserves (including transfers) at 31 August 2019 comprise:

£000	2019	2018
Restricted Fixed Assets	52,860	53,565
Restricted General Fund	770	1,241
Restricted Pension Fund	(3,806)	(2,551)
Unrestricted Fund	2,627	2,009

The academy trust has an established reserves policy which is reviewed by Trustees annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that a free reserves balance of a minimum of one month's payroll (approximately £1 million) should be held in reserves by the academy trust at any one time. The aims are (i) to provide sufficient working capital to cover delays between spending and receipt of grants, (ii) to provide contingency funding for unexpected emergencies, (iii) to remain appropriately funded over the medium term, (iv) to provide funding for future estate maintenance and planned capital investment.

TRUSTEES' REPORT (Continued)**STRATEGIC REPORT** (Continued)**Principal Risks and Uncertainties**

Principal risks and uncertainties faced by Chrysalis Multi Academy Trust are outlined within the risk register (reviewed biannually by the Trustees):

Strategic Risks

- Fraud & Failure to comply with UK or EU Legislation.
- Failure to comply with Health & Safety Legislation.
- Failure to comply with HR Legislation.

Operational Risks

- Production of inaccurate information for consideration by Trustees.
- Long-term illness of staff.
- Computer system crashes.
- Fire & flood.

Financial Risks

- Loss of funding.
- Budget holder overspends.
- Contractors ceasing to trade part way through capital projects.
- Risks relating to financial control and procedures.

Investment Policy

The Trustees invest only in low risk bank deposit accounts with the flexibility to invest across a range of account terms in order to balance liquidity and return.

Fundraising Policy

The academy trust has not undertaken any fundraising activities in the year.

Plans For Future Periods

In the next academic year the academy trust will focus on:

- Enhancing the newly established working relationship between the current members of the Multi Academy Trust (Claremont High School and Sudbury Primary School) to ensure that best practice can be shared across both academies and ensure that all pupils are given the same opportunities provided by outstanding teaching and learning.
- Carefully considering further opportunities for growth where it is line with the academy trust's stated aims and objectives and where it can be demonstrated that the academy trust has sufficient capacity to support other academies.
- Ensuring that all pupils of the academy trust are being challenged across a broad and balanced curriculum.
- Maximising opportunities for learning and personal development across the academy trust including opportunities beyond lessons.
- Working towards all academies within the academy trust achieving outstanding status under the current OFSTED framework.

TRUSTEES' REPORT (Continued)

STRATEGIC REPORT (Continued)

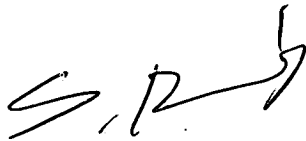
Auditor

In so far as the Trustees are aware;

- There is no relevant audit information of which the Charitable Company's Auditor is unaware.
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish the Auditor is aware of that information.

On 1 February 2019, Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens has resigned as auditor and the trustees have appointed BDO LLP in the place. BDO LLP has indicated their willingness to stand for reappointment for the 2019-20 financial year.

The Trustees' Report, incorporating a strategic report, was approved by orders of the Members of the Trustees, being company directors, on 10th December 2019 and signed on its behalf by;

A handwritten signature in black ink, appearing to read 'S.R. Brunswick', with a stylized flourish at the end.

Mr S.R. Brunswick
Chairman

GOVERNANCE STATEMENT**Period 1 September 2018 to 31 August 2019****Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher as Accounting Officer and the Chief Financial Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chrysalis Multi Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Trustees on any material weaknesses or breakdowns in internal control.

Governance

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

Trustee– Meetings attended out of a possible number

5/5	Mr S.R. Brunswick	(Chairman)
2/5	Mr S. Kataria	
3/5	Mr F.T. Molloy	(Appointed 1 st September 2018 Resigned 1 st September 2019)
2/3	Mr N.C. Molden	
5/5	Ms B. Ragheb	
3/5	Mr N. Sanghrajka	
2/4	Mr M. Vadgama	

The Trustees carry out an annual review of their effectiveness as a board in maintaining strong governance and in its support of key staff and committees.

The annual review considers the Nolan principles and self-evaluation against the following is undertaken:

- Setting strategy
- Providing scrutiny
- Administering stewardship
- Providing support and guidance to senior management including the Executive Headteacher, Headteacher at Claremont High School and the Chief Financial Officer.

The Trustees were responsible in the year for the general control and management of the administration of the academy trust. The work of the Trustees in the year included:

- Setting the academy trust's vision, ethos and strategy for the next three years.
- Setting the level of authority and accountability each Local Governing Body has through the scheme of delegation.
- Scrutinising the education performance data of all academies within the academy trust.

GOVERNANCE STATEMENT (Continued)

- Scrutinising the academy trust's financial results to ensure that the academy trust remained a going concern, complied with the Academies Financial Handbook and delivered best value for money.
- Ensuring that the academy trust's senior management was continuously challenged to ensure the educational results of all pupils improved.

The senior management of the academy trust ensured that the quality of information provided to Trustees was of the highest quality. The Trustees are satisfied that the information provided by senior management was accurate because year-on-year the predicted educational and financial results within the information provided equates to the actual educational and financial results achieved.

Finance and Premises Committee

The Finance and Premises Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure that the academy trust is following the Education and Skills Funding Agency's financial regulations. No significant issues were dealt with during the year.

The Finance and Premises Committee formally met twice in the year. Attendance during the year was as follows;

1/2	Mr S. Kataria
2/2	Dr N.C. Molden
2/2	Mr N. Sanghrajka
1/2	Mr M. Vadgama

Audit Committee

The Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to (i) monitor the integrity of the financial statements (ii) review internal financial controls and review the academy trust's internal control and risk management systems (iii) make recommendations to Trustees in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor and (iv) review the auditor's independence and objectivity.

The Audit Committee formally met twice in the year. Attendance during the year was as follows;

1/2	Mr S. Kataria
2/2	Dr N.C. Molden
2/2	Mr N. Sanghrajka
1/2	Mr M. Vadgama

GOVERNANCE STATEMENT (Continued)**Review of value for money**

As accounting officer, the Executive Headteacher 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 educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- (i) Exercising tight financial governance and oversight via the senior management, Finance and Premises Committee and Trustees.
- (ii) Ensuring all buying decisions were made in accordance with the principles of 'best value' probity and accountability and that all contracts were awarded on a competitive basis and suppliers were selected on their capacity to provide quality, quantity, service, timely delivery and price competitiveness.
- (iii) Appointing a Chief Financial Officer to ensure a programme of targeted cost savings was implemented in the year to achieve savings across the academy trust as well as procuring consumable resources centrally to achieve improved discounts.
- (iv) Benchmarking, using the DFE toolkit, to ensure each school in the academy trust delivers good value in the use of its resources.

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 Chrysalis Multi Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place Chrysalis Multi Academy Trust for the year ended 31 August 2019 and up to the date of approval of the Trustees' Report & Financial Statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks (via the biannual update of the risk register) to which Chrysalis Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there was a formal on-going process for identifying, evaluating and managing the significant risks of Chrysalis Multi Academy Trust in the year ended 31 August 2019 (and up to the date of approval of the Trustees' Report & Financial Statements). This process is regularly reviewed by Trustees.

GOVERNANCE STATEMENT (Continued)**The Risk and Control Framework**

The Chrysalis Multi Academy Trust 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, 3 year plan and periodic financial reports, which are reviewed and agreed by the Trustees.
- Regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the annual budget/ 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 via the biannual update of the risk register and approval by the Audit Committee.

The Trustees have considered the need for a specific internal audit function and appointed Landau Baker, as Internal Auditor ("IA"). The IA's role includes giving advice on financial matters and performing a range of checks on Chrysalis Multi Academy Trust financial systems.

During the year ended 31 August 2019 the IA has submitted reports to the Trustees covering system and procedural reviews principally relating to cash management, payroll, risk and control, purchases and a review of the SAGE and Civica accounting systems.

No material internal control weaknesses were highlighted within the IA's report.

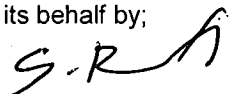
Review of Effectiveness

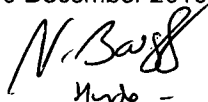
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by;

- The work of the Internal Auditor.
- The work of the External Auditor,
- The financial management and governance self-assessment process
- The work of senior management within Chrysalis Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of reviews of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by;


Mr S.R. Brunswick
Chairman


Hyde -
Ms N. Boughey
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY
AND COMPLIANCE**

Period 1 September 2018 to 31 August 2019

As Accounting Officer of Chrysalis Multi Academy Trust I have considered my responsibility to notify the Trustees and the Education and Skills Funding Agency of any material irregularity, impropriety and non-compliance with the terms and conditions of all funding received by the academy trust, under the Funding Agreement in place between Chrysalis Multi Academy Trust and the Secretary of State for Education.

As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Chrysalis Multi Academy Trust Trustees are able to identify any material irregular or improper use of funds, or material non-compliance with the terms and conditions of funding under the Chrysalis Multi Academy Trust Funding Agreement and the Academies Financial Handbook 2018.

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



Ms N. Boughey
Accounting Officer
10 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES**Period 1 September 2018 to 31 August 2019**

The Trustees are also the Directors of the Charitable Company for the purposes of company law are responsible for preparing the Trustees' Report and Financial Statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to;

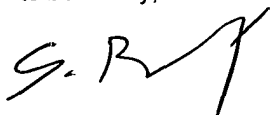
- Select suitable accounting policies and then apply them consistently.
- Observe the method and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (e.g. FRS 102) have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Chrysalis Multi Academy Trust transactions and disclose with reasonable accuracy at any time the financial position of Chrysalis Multi Academy Trust and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Chrysalis Multi Academy Trust 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 Chrysalis Multi Academy Trust applies financial and other controls, which conform with the requirements of both proprietary and good financial management. They are also responsible for ensuring all grants received, including those from the Education and Skills Funding Agency, 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 Chrysalis Multi Academy Trust 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 10 December 2019 and signed on its behalf by;



Mr S.R. Brunswick
Chairman

Independent Auditor's Report to the Members of Chrysalis Multi Academy Trust

We have audited the financial statements of Chrysalis Multi Academy Trust ("the Academy trust") for the year ended 31 August 2019 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the group and charitable company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency (ESFA).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Parent Charitable Company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Academy'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other

Independent Auditor's Report to the Members of Chrysalis Multi Academy Trust (Continued)

information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information included in the Annual Report, other than the financial statements and our auditor's report thereon 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.

Opinions 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, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair

Independent Auditor's Report to the Members of Chrysalis Multi Academy Trust (Continued)

view, and for such internal control as the Trustees determines 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

Heather Wheelhouse, Senior Statutory Auditor
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU

Date *17 December 2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Independent Reporting Accountant's Assurance Report on
Regularity to Chrysalis Multi Academy Trust and the Education
and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 9 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chrysalis Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chrysalis Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chrysalis Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chrysalis Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CHRYSLIS MULTI ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Chrysalis Multi Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Independent Reporting Accountant's Assurance Report on
Regularity to Chrysalis Multi Academy Trust and the Education
and Skills Funding Agency (Continued)**

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

Our procedures included, but not limited to, the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Trust;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation;
- Reviewing any family members of directors or senior leadership team appointed in the period, checking that the Trust's processes have been followed and the remuneration appears reasonable;
- Performing a review of the tendering policy, enquiring of any tenders completed in the period and completing a review of tenders completed for the appropriate documentation and authorisation;
- Enquiries of management of new leases in the period, ensuring they are entered into in line with the financial handbook policies;
- Review of the Academy's website for the correct disclosure of governance information in line with ESFA guidelines;
- Performing a review of the Business Continuity Plan in place by the Trust.

CONCLUSION

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

BDO LLP

For and on behalf of
BDO LLP (Reporting Accountant)
London, UK

Date: 17 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CHRYSLIS MULTI ACADEMY TRUST
Consolidated Statement of Financial Activities
For the year ended 31 August 2019

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(including Income & Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2019 Total £000	2018 Total £000
Income and endowments from:						
Donations and capital grants	3	267	-	175	442	982
Transfer from Sudbury Primary 1.11.17	32	-	-	-	-	25,222
Charitable activities:						
Funding for the Academy educational operations	4	-	14,281	-	14,281	13,309
Other trading activities	5	876	443	-	1,319	1,322
Investment Income	6	19	-	-	19	8
Total		1,162	14,724	175	16,061	40,843
Expenditure on:						
Raising funds	7	236	462	-	698	751
Charitable activities		-	-	-	-	-
Academy educational operations	8	-	14,878	1,188	16,066	14,598
Other		-	-	-	-	-
Total		236	15,340	1,188	16,764	15,349
Net (expenditure)/income		926	(616)	(1,013)	(703)	25,494
Transfers between funds		(308)	-	308	-	-
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	30	-	(1,110)	-	(1,110)	560
Net movement in funds		618	(1,726)	(705)	(1,813)	26,054
Reconciliation of funds:						
Total funds brought forward		2,009	(1,310)	53,565	54,264	28,210
Total funds carried forward	18	2,627	(3,036)	52,860	52,451	54,264

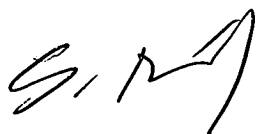
All of the academy trust's activities derive from continuing operations during the above two financial periods.

The attached Notes to Financial Statements on pages 31 to 52 form an integral part of the Financial Statements.

**CONSOLIDATED BALANCE SHEET
as at 31 August 2019**

	Note	2019 £000	2018 £000
Fixed Assets			
Tangible Assets	13	52,447	53,325
Current Assets			
Stock		1	1
Debtors	15	420	670
Cash at bank and in hand		4,536	4,297
		<u>4,957</u>	<u>4,968</u>
Liabilities			
Creditors: Amounts falling due within one year	16	<u>(1,024)</u>	<u>(1,288)</u>
Net Current Assets		3,933	3,680
Creditors: Amounts falling due after one year	17	<u>(123)</u>	<u>(190)</u>
Net Assets excluding pension scheme liability		56,257	56,815
Defined benefit pension scheme liability	30	<u>(3,806)</u>	<u>(2,551)</u>
Total net assets		<u>52,451</u>	<u>54,264</u>
Funds of the Academy Trust:	18		
Restricted Funds			
Fixed Assets Fund		52,860	53,565
Restricted Income Fund		770	1,241
Pension Reserve		<u>(3,806)</u>	<u>(2,551)</u>
Total Restricted Funds		49,824	52,255
Unrestricted Funds			
Unrestricted Income Fund		<u>2,627</u>	<u>2,009</u>
Total Unrestricted Funds		2,627	2,009
Total Funds		<u>52,451</u>	<u>54,264</u>

The financial statements on pages 31 to 52 were approved by the Trustees and authorised for issue on 10th December 2019 and are signed on their behalf by:



Mr S.R. Brunswick
Chairman
Company number: 07557868

CHRYSALIS MULTI ACADEMY TRUST**28****ACADEMY BALANCE SHEET****as at 31 August 2019**

	Note	2019 £000	2018 £000
Fixed Assets			
Tangible Assets	13	52,447	53,325
Investment in subsidiary	14	-	-
Current Assets			
Stock		1	1
Debtors	15	387	660
Cash at bank and in hand		4,469	4,193
		<u>4,857</u>	<u>4,853</u>
Creditors:			
Amounts falling due within one year	16	<u>(1,016)</u>	<u>(1,298)</u>
Net Current Assets		3,841	3,555
Creditors:			
Amounts falling due after one year	17	<u>(123)</u>	<u>(190)</u>
Net Assets excluding Pension Liability		56,165	56,690
Pension scheme liability	30	<u>(3,806)</u>	<u>(2,551)</u>
Net Assets including Pension Liability		52,359	54,139
Funds of the Academy	19		
Restricted Funds			
Fixed Assets Fund		52,860	53,565
Restricted Income Fund		768	1,239
Pension Reserve		<u>(3,806)</u>	<u>(2,551)</u>
Total Restricted Funds		49,822	52,253
Unrestricted Funds			
Unrestricted Income Fund		<u>2,537</u>	<u>1,886</u>
Total Unrestricted Funds		2,537	1,886
Total Funds		52,359	54,139

The financial statements on pages 31 to 52 were approved by the Trustees and authorised for issue on 10th December 2019 and are signed on their behalf by:



Mr S.R. Brunswick
Trustee

Company number: 07557868

CHRYSLIS MULTI ACADEMY TRUST**29****CONSOLIDATED CASHFLOW STATEMENT****For the year ended 31 August 2019**

	Note	2019 £000	2018 £000
Cashflows from operating activities			
Net cash provided by (used in) operating activities	24	450	1,501
Cashflows from financing activities	25	(96)	(90)
Cashflows from investing activities	26	(114)	(40)
Change in cash in the reporting period		<u>240</u>	<u>1,371</u>
Cash and cash equivalents at 1 September 2018		4,297	2,926
Cash and cash equivalents at 31 August 2019		<u>4,536</u>	<u>4,297</u>

NOTES TO THE FINANCIAL STATEMENTS**Period 1 September 2018 to 31 August 2019****Note Page**

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NOTES TO THE FINANCIAL STATEMENTS**Period 1 September 2018 to 31 August 2019****1. STATEMENT OF ACCOUNTING POLICIES**

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

1.1 Basis of Preparation

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 Standards applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Account Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and Companies Act 2006.

Chrysalis Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

These financial statements are prepared in sterling which is the functional currency of the academy trust and rounded to the nearest thousand pounds.

Chrysalis Multi Academy Trust (Company Number: 07557868) is a company limited by guarantee and incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on Page 1. The nature of the academy trust's operation and principal activity are detailed in the Trustee report.

1.2 Basis of Consolidation

The financial statements consolidate the results of the academy trust and its subsidiary undertaking Chrysalis Education Trading Limited on a line by line basis.

As permitted under S408 of the Companies Act 2006 the academy trust has not presented its own SOFA. The academy trust's deficit for the year was £703K (2018: £25,494K surplus).

1.3 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 which may cast significant doubt on the ability of the company to continue as a going concern. These material events include a significant falling pupil roll, a reduction in funding or a unfavourable OFSTED etc. The Trustees make the assessment in respect of a period of at least one year from the date of authorisation for issues 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.

1.4 Income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**STATEMENT OF ACCOUNTING POLICIES (Continued)**

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 of the fixed asset fund.

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or service.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at their fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of the existing academy into the academy trust within donations and capital grant income to the net assets acquired.

1.5 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 direct costs and shared costs, including supports costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute 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**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**1. STATEMENT OF ACCOUNTING POLICIES (Continued)****• Charitable Activities**

These are costs on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to the charitable activities.

All resourced expended are inclusive of irrecoverable VAT.

1.6 Tangible Fixed Assets

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

Where tangible fixed assets are acquired with the aid of specific grants, either from the Government or 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 fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation Policy

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

• Freehold Buildings	2 - 6%
• Fixtures, Fittings & Equipment	20%
• Computer Equipment & Software	33 1/3%
• Motor Vehicles	33 1/3%

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 fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

Impairment losses are recognised in the Statement of Financial Activities.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

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

1.9 Leased Assets

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

1.10 Investments

The academy trust's shareholding in the wholly owned subsidiary, Chrysalis Education Trading Limited is included at the cost of share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.11 Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity'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 and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.12 Stock

The stock of goods held is valued at the lower of cost or net realisable value.

1.13 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK Corporation Tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Pension Benefits

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**1. STATEMENT OF ACCOUNTING POLICIES (Continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 a quadrennial valuations using a prospective unit credit method. As stated in the pension note 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 contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate 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 the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the defined liability/asset is also recognised in the Statement of Financial Activities and comprises of the interest cost on the defined benefit obligation and interest income of the schemes 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.

1.15 Fund Accounting

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

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

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

1.16 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the Education and Skills Funding Agency. Payments received from Education and Skills Funding Agency and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust does not use any of the allocation towards its own administration costs but if it did it would be recognised in the statement of financial activities. The funds received, paid and any balances are disclosed in note 31.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**1. STATEMENT OF ACCOUNTING POLICIES (Continued)****1.17 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates 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 as follows:

- 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 30, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pension liability as at the 31st of August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.
- Any changes in the valuation of freehold property. (See Note 13).

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

2 GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State the academy trust was subject to limits at the 31st of August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward of which up to 2% could be used for recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceed these limits during the year ended the 31st of August 2019.

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Income Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	-	175	175	731
Other donations	267	-	-	267	251
	267	-	175	442	982
2018	251	-	731	982	

4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Income Funds £000	Restricted Fixed Assets Funds £000	2019 Total £000	2018 Total £000
DfE/ESFA grants					
General Annual Grant (GAG)	-	12,595	-	12,595	11,773
Other DfE/ESFA Grants	-	1,087	-	1,087	971
Other Government Grants					
Local Authority Grants	-	599	-	599	565
	-	14,281	-	14,281	13,309
2018	-	13,309	-	13,309	

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Income Funds £000	Restricted Fixed Assets Funds £000	2019 Total £000	2018 Total £000
Hire of facilities	315	-	-	315	340
Catering income	446	-	-	446	430
Trips and other related activities	20	365	-	385	388
Other income generated by Chrysalis Education Trading Ltd	95	-	-	95	124
Other	-	78	-	78	40
	876	443	-	1,319	1,322
2018	910	412	-	1,322	

NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 August 2019
6 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Income Funds £000	Restricted Fixed Assets Funds £000	2019 Total £000	2018 Total £000
Bank interest	19	-	-	19	8
	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>8</u>
2018	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>	

7 EXPENDITURE

	Staff Costs £000	Non-Pay Premises £000	Expenditure Other £000	2019 Total £000	2018 Total £000
Expenditure on raising funds	-	-	698	698	751
Academy trust's educational operations:					
- Direct costs	10,276	1	1,047	11,324	10,144
- Allocated support costs	2,242	259	2,241	4,742	4,454
	<u>12,518</u>	<u>260</u>	<u>3,986</u>	<u>16,764</u>	<u>15,349</u>
2018	<u>11,179</u>	<u>444</u>	<u>3,726</u>	<u>15,349</u>	

Net expenditure for the period includes:

	2019 Total £000	2018 Total £000
Depreciation	1,186	1,076
Severance payments	-	8
Operating lease	33	33
Fees payable to the auditor for		
- audit	15	15
- other services	<u>12</u>	<u>12</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 August 2019
8 CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Income Funds £000	Restricted Fixed Asset Funds £000	2019 Total £000	2018 Total £000
Direct costs - educational operations	-	11,218	106	11,324	10,144
Support costs - educational operations	-	3,660	1,082	4,742	4,454
	-	14,878	1,188	16,066	14,598
2018	-	13,522	1,076	14,598	

Analysis of support costs	Educational Operations £000	2019 Total £000	2018 Total £000
Support staff costs	2,225	2,225	2,005
Depreciation	1,082	1,082	993
Recruitment & support	51	51	45
Maintenance of premises & equipment	138	138	298
Cleaning	49	49	52
Rent & rates	72	72	93
Insurances	81	81	79
Security & transport	23	23	23
Bank interest & charges	47	47	21
Governance Costs	10	10	10
Other support costs	964	964	835
	4,742	4,742	4,454

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

9 STAFF

a. Staff Costs

	2019	2018
	£000	£000
Staff costs during the year were:		
Wages & salaries	9,630	8,631
Social security costs	949	879
Pension costs	1,753	1,555
	<u>12,332</u>	<u>11,065</u>
Supply staff costs	186	106
Staff restructuring costs	-	8
	<u>12,518</u>	<u>11,179</u>

b. Non statutory/non contractual severance payments

No severance payments were made in 2019 (2018 £7,840).

c. Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the period was as follows:

	2019	2018
	Number	Number
Teachers	133	126
Administration & support	116	119
Management	23	22
	<u>272</u>	<u>267</u>

d. Higher paid staff

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

	2019	2018
	Number	Number
£60,001 - £70,000	9	5
£70,001 - £80,000	4	2
£80,001 - £90,000	1	2
£100,000 - £110,000	1	1
£110,001 - £120,000	1	-

All of the above employees participated in the Teachers' Pension Scheme except one in the £100,000 - £110,000 pay band.

e. Key management personnel

The key management personnel of the academy trust comprised of the Trustees and some of the senior management team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the academy was £495,594 (2018: £526,677). The variance was a result of the departure of the previous Executive Headteacher reducing the key management personnel in the year by one.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

10 CENTRAL SERVICES

In the year no central services were provided by the academy trust to its academies.

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

No Trustees have been paid remuneration or received other benefits from employment with the academy trust in the year. Both the new Executive Headteacher in the current year and the former Executive Headteacher in the prior year received remuneration only in respect of the services they provided in undertaking the role of Executive Headteacher under their employment contract.

The value of Trustees' remuneration and other benefits was as follows:

	2019		2018	
	Remuneration	Er Pension Contributions	Remuneration	Er Pension Contributions
Ms B. Ragheb	£117,384	-	-	-
Mr F. T. Molloy	-	-	£86,685*	£10,820

During the period ended 31st of August 2019, no travel and subsistence expenses were reimbursed or paid directly to the Trustees (2018: nil)

* Resignation date 31.08.18

12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and Members from claims arising from negligent acts, errors or omissions whilst on academy trust business.

Claremont High School's insurance policy with Zurich provides cover of up to £1,000,000 on any one claim and the cost for the period ended 31st of August 2019 was £2,500 (2018: £2,500). This cost is included in the total insurance cost.

Sudbury Primary school 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 Member from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Members indemnity element from the overall cost of the RPA scheme membership.

13 TANGIBLE FIXED ASSETS

GROUP/ACADEMY	Freehold Land & Buildings £000	Plant & Machinery £000	Furniture & Equipment £000	Computer Equipment £000	Motor Vehicle £000	Total £000
Cost or Valuation						
At 1 September 2018	54,447	2,966	531	416	32	58,392
Additions	-	204	12	92	-	308
Disposals	-	-	-	-	-	-
At 31 August 2019	54,447	3,170	543	508	32	58,700
Depreciation						
At 1 September 2018	4,343	250	170	284	20	5,067
Charged in the year	995	76	26	79	10	1,186
At 31 August 2019	5,338	326	196	363	30	6,253
Net Book Value						
At 31 August 2018	50,104	2,716	361	132	12	53,325
At 31 August 2019	49,109	2,844	347	145	2	52,447

The Freehold Land and Buildings are based on professional valuations. Land and Buildings at Claremont High School are based on a professional valuation at 1 April 2011 carried out by DVS, a business regulated by the Royal Institution of Chartered Surveyors and for Sudbury Primary School a professional valuation at 1 November 2017 also carried out by the DVS. The basis of each valuation is fair value.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

14 INVESTMENTS

On the 3rd of August 2015 the academy trust's subsidiary Chrysalis Education School Trading Limited was incorporated and commenced trading. The principal activity of the subsidiary is to generate income through consulting work, loaning of employees and the running of Assessment Centres on behalf of the Local Authority of Brent. The Assessment Centres place out of school secondary age students in schools across the Brent Borough. The academy trust owns the entire share capital of Chrysalis Education Trading Limited, a company registered in England and Wales with the same registered office.

The following is a summary of the financial statements of Chrysalis Education Trading Limited (Company Number: 097813800), for the year ended 31 August 2019, which have been included in the consolidated financial statements:

	Year to 31 August 2019	Year to 31 August 2018
	£000	£000
Turnover	95	124
Cost of sales	(2)	(11)
Gross profit	93	113
Administration expenses	-	-
Profit on ordinary activities before taxation	93	113
Retained Profit	93	113

	Year to 31 August 2019	Year to 31 August 2018
Current assets	100	116
Current liabilities	(7)	(3)
Net Assets	93	113

	<u>Group</u>		<u>Academy</u>	
15 DEBTORS	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	53	184	53	184
Value added tax	70	106	70	106
Prepayments and accrued Income	263	342	263	342
Intercompany balance	-	-	(34)	(10)
Other debtors	34	38	35	38
	<u>420</u>	<u>670</u>	<u>387</u>	<u>660</u>

16 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Academy</u>	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade creditors	199	543	199	543
Other taxation and social security	324	241	324	241
Pension liabilities	138	97	138	97
Loan (Note 17)	96	90	96	90
Accruals & deferred Income	265	315	265	315
Intercompany balance	-	-	(8)	10
Other	2	1	2	1
	<u>1,024</u>	<u>1,288</u>	<u>1,016</u>	<u>1,298</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

Deferred income	2019 £000	2018 £000
Deferred income at 1 September	118	152
Resources deferred in the year	204	118
Amounts released from prior years	(118)	(152)
	<u>204</u>	<u>118</u>

The deferred income in the year related to income received in advance in respect of lettings and music fees.

17 LOANS

A Loan Agreement between LB Brent and Chrysalis Multi Academy Trust was executed on 31 March 2011. The loan which is for a 10 year period at an interest rate of 5% per annum is repayable in equal instalments on a calendar quarterly basis subsequent to a lump sum repayment of £200,000 on 1 May 2011.

Also included within other creditors is a Salix loan of £50,000 in respect the 2015-16 Condition Improvement Fund for roof and drainage repairs. The loan which is for an 8 year period at an interest rate of 0% per annum is repayable in half yearly instalments.

Group/Academy	2019 £000	2018 £000
Amounts due within one year (Brent)	96	90
Amount due after one year (Brent and Salix)	123	190
	<u>219</u>	<u>281</u>

18 FUNDS - GROUP

	Balance 01-Sep 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Transfers Between Funds £000	Balance 31-Aug 2019 £000
RESTRICTED GENERAL FUNDS						
Pension reserve	(2,551)	-	(145)	(1,110)	-	(3,806)
All funds	1,241	14,724	(15,195)	-	-	770
	<u>(1,310)</u>	<u>14,724</u>	<u>(15,340)</u>	<u>(1,110)</u>	<u>-</u>	<u>(3,036)</u>
RESTRICTED FIXED ASSET FUND						
Restricted fixed asset fund	53,565	175	(1,188)	-	308	52,860
	<u>53,565</u>	<u>175</u>	<u>(1,188)</u>	<u>-</u>	<u>308</u>	<u>52,860</u>
UNRESTRICTED FUNDS						
Unrestricted funds	2,009	1,162	(236)	-	(308)	2,627
	<u>2,009</u>	<u>1,162</u>	<u>(236)</u>	<u>-</u>	<u>(308)</u>	<u>2,627</u>
TOTAL GROUP FUNDS	<u>54,264</u>	<u>16,061</u>	<u>(16,764)</u>	<u>(1,110)</u>	<u>-</u>	<u>52,451</u>

The purpose of the Restricted Fixed Asset Fund is to hold the academy trust's fixed assets recoded net of depreciation.

The academy trust is carrying a net surplus of £770k on restricted general funds (excluding pension reserve) plus £2,627k unrestricted funds due to a drive to cut wastage in order to fund rising staff costs in 2019/20. In addition, it is estimated that approximately £600k will be spent in the 2019-20 year replacing the existing Astroturf at Claremont High School.

During the year, £308k was transferred into the restricted fixed asset fund from the restricted and unrestricted general funds to fund refurbishment work across the school and ICT infrastructure investment.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

Total funds analysis by academy	2019	2018
	£000	£000
Claremont High School	2,655	2,694
Sudbury Primary School	(351)	443
Chrysalis Education Trading Limited	93	113
Total before fixed assets and pension reserve	2,397	3,250
Restricted fixed asset fund	52,860	53,565
Pension reserve	(3,806)	(2,551)
Total	51,451	54,264

Comparative information in respect of the preceeding period is as follows:

	Balance 01-Sep 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Transfers Between Funds £000	Balance 31-Aug 2018 £000
RESTRICTED GENERAL FUNDS						
Pension reserve	(1,935)	(950)	(226)	560	-	(2,551)
All funds	1,036	13,988	(13,783)	-	-	1,241
	(899)	13,038	(14,009)	560	-	(1,310)
RESTRICTED FIXED ASSET FUND						
Restricted fixed asset fund	28,166	26,263	(1,076)	-	212	53,565
	28,166	26,263	(1,076)	-	212	53,565
UNRESTRICTED FUNDS						
Unrestricted funds	943	1,542	(264)	-	(212)	2,009
	943	1,542	(264)	-	(212)	2,009
TOTAL GROUP FUNDS	28,210	40,843	(15,349)	560	-	54,264

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

Total Group cost analysis by academy

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	2019 Total £000	2018 Total £000
Chrysalis Education Trading	-	-	-	3	3	11
Claremont High School	8,025	180	207	2,019	10,431	9,762
Sudbury Primary School	4,307	6	82	749	5,144	4,501
Total Group Cost	12,332	186	289	2,771	15,578	14,274

19 FUNDS - ACADEMY

	Balance 01-Sep 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Transfers Between Funds £000	Balance 31-Aug 2019 £000
RESTRICTED GENERAL FUNDS						
Pension reserve	(2,551)	-	(145)	(1,110)	-	(3,806)
All funds	1,239	14,724	(15,195)	-	-	768
	(1,312)	14,724	(15,340)	(1,110)	-	(3,038)
RESTRICTED FIXED ASSET FUND						
Restricted fixed asset fund	53,565	175	(1,188)	-	308	52,860
	53,565	175	(1,188)	-	308	52,860
UNRESTRICTED FUNDS						
Unrestricted funds	1,886	1,193	(234)	-	(308)	2,537
	1,886	1,193	(234)	-	(308)	2,537
TOTAL ACADEMY FUNDS	54,139	16,092	(16,762)	(1,110)	-	52,359

The purpose of the Restricted Fixed Asset Fund is to hold the academy trust's fixed assets recorded net of depreciation.

The charity is carrying a net surplus of £768k on restricted general funds (excluding pension reserve) plus £2,537k unrestricted funds due to a drive to cut wastage in order to fund rising staff costs in 2019/20 and beyond. In addition, it is estimated that approximately £600k will be spent in the 2019-20 year replacing the existing AstroTurf at Claremont High School.

During the year, £308k was transferred into the restricted fixed asset fund from the restricted and unrestricted general funds to fund refurbishment work across the school and ICT infrastructure investment.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

Comparative information in respect of the preceeding period is as follows:

	Balance 01-Sep 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Transfers Between Funds £000	Balance 31-Aug 2018 £000
RESTRICTED GENERAL FUNDS						
Pension reserve	(1,935)	(950)	226	560	-	(2,551)
All funds	1,036	13,988	(13,595)	-	-	1,239
	(899)	13,038	(14,011)	560	-	(1,312)
RESTRICTED FIXED ASSET FUND						
Restricted fixed asset fund	28,166	26,263	(1,076)	-	212	53,565
	28,166	26,263	(1,076)	-	212	53,565
UNRESTRICTED FUNDS						
Unrestricted funds	943	1,419	(264)	-	(212)	1,886
	943	1,419	(264)	-	(212)	1,886
TOTAL ACADEMY FUNDS	28,210	40,720	(15,351)	560	-	54,139

NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 August 2019
20 ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets	-	-	52,447	52,447
Current assets	2,627	1,698	632	4,957
Creditors due within 1 year	-	(928)	(96)	(1,024)
Creditors due after 1 year	-	-	(123)	(123)
Pension Scheme Liability	-	(3,806)	-	(3,806)
GROUP	2,627	(3,036)	52,860	52,451

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets	-	-	53,325	53,325
Current assets	2,009	2,439	520	4,967
Creditors due within 1 year	-	(1,198)	(90)	(1,288)
Creditors due after 1 year	-	-	(190)	(190)
Pension Scheme Liability	-	(2,551)	-	(2,551)
GROUP	2,009	(1,310)	53,565	54,264

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS - ACADEMY

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets	-	-	52,447	52,447
Current assets	2,537	1,688	632	4,857
Creditors due within 1 year	-	(920)	(96)	(1,016)
Creditors due after 1 year	-	-	(123)	(123)
Pension Scheme Liability	-	(3,806)	-	(3,806)
ACADEMY	2,537	(3,038)	52,860	52,359

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets	-	-	53,325	53,325
Current assets	1,886	2,447	520	4,853
Creditors due within 1 year	-	(1,208)	(90)	(1,298)
Creditors due after 1 year	-	-	(190)	(190)
Pension Scheme Liability	-	(2,551)	-	(2,551)
ACADEMY	1,886	(1,312)	53,565	54,139

NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 August 2019

22 CAPITAL COMMITMENTS

	2019	2018
	£000	£000
Contracted for, but not provided for in the financial statements.	-	-

23 OPERATING LEASES

At the 31st of August 2019 the total of the academy trust's future minimum Lease payments under a non cancellable operating lease were:

	2019	2018
	£000	£000
Amounts due within one year	44	33
Amounts due between one and five years	76	44
	<u>120</u>	<u>77</u>

24 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019	2018
	£000	£000
Net income	(703)	25,494
ADJUSTED FOR:		
Capital grant	(175)	(731)
Donated fixed assets on conversion	-	(25,532)
Depreciation	1,188	1,075
Defined benefit pension scheme obligation inherited	-	950
FRS102 pension cost less contributions payable	14	93
FRS102 pension finance costs	160	131
Interest paid	-	-
Interest received	(19)	(8)
Increase in stock	-	1
Decrease in debtors	249	(358)
Decrease in creditors	(264)	386
Net Cash inflow from operating activities	<u>450</u>	<u>1,501</u>

25 CASHFLOWS FROM FINANCING ACTIVITIES

	2019	2018
	£000	£000
Capital repayment of loan	(77)	(71)
Interest paid on loan	(19)	(19)
Net Cash Outflow from Financing	<u>(96)</u>	<u>(90)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

26 CASHFLOWS FROM INVESTMENT ACTIVITIES

	2019	2018
	£000	£000
Interest received	19	8
Purchase of tangible fixed assets	(308)	(779)
Capital Grants from the ESFA	175	731
	<hr/>	<hr/>
Net Cash Outflow from Returns on Investments	(114)	(40)
	<hr/>	<hr/>

27 MEMBER'S 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.

28 RELATED PARTIES

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted in accordance with requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to related parties.

There were no related party transactions in the year.

Exemption from the requirement to disclose transactions between Chrysalis Multi Academy Trust and its subsidiary company, Chrysalis Education Trading Limited, has been taken under Financial Reporting Standard 8 "Related Party Disclosures" as group accounts are prepared.

29 POST BALANCE SHEET EVENTS

Since the balance sheet date the academy trust has agreed two employee settlement agreements totalling £51,466.

NOTES TO FINANCIAL STATEMENTS (Continued)**For the year ended 31 August 2019****30 PENSION & SIMILAR OBLIGATIONS**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for the academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £137,889 (2018 £97,014) were payable to the schemes at 31 August 2019 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' 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:

- (i) employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- (ii) 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 £176,000 million giving a notional past service deficit of £14,900 million
- (iii) an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- (iv) the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The latest valuation of the TPS based on April 2016 data, has been completed and new employer contribution rate of 23.68% was effective from 1 September 2019.

The pension costs paid to TPS in the period amount to £1,064,157 (2018: £1,104,270).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £849,000 of which employer's contributions totalled £719,000 (2018: £636,000) and employees' contributions totalled £130,000 (2018: £112,000). The agreed contribution rates for future years are 33.8% for employers and 5.5% - 9.9% for employees.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

30 PENSION & SIMILAR OBLIGATIONS (Continued)

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

The undernoted assumptions have been applied for the assessment of the initial asset allocation;

Principal actuarial assumptions

	As at 31 August 2019	As at 31 August 2018
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment / inflation	2.3	2.3
Discount Rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation to pensions to lump sums	50%	50%

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

	2019	2018
<i>Retiring today</i>	<i>21.4 years</i>	<i>22.3 years</i>
Males	23.6 years	24.5 years
Females		
<i>Retiring in 20 years</i>		
Males	22.3 years	24.1 years
Females	24.9 years	26.4 years

Local Government Pension Scheme

Sensitivity analysis

	Claremont High School	Sudbury Primary School	Total
0.5% decrease in discount rate	583	455	1,038
0.5% increase in the salary increase rate	57	53	110
0.5% increase in the pension increase rate (CPI)	516	395	911

The academy trust's share of the assets in the scheme were:

	Fair Value at 31 August 2019 £000	Fair Value at 31 August 2018 £000
Equity Instruments	2,903	2,025
Debt Instruments	521	274
Property	149	109
Cash	149	328
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	3,722	2,736

Total Market Value of Assets

Amount recognised in the statement of financial activities

Current service cost	763	787
Past service cost	29	-
Interest cost	160	131
Expected return	(88)	(56)
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Total	864	862

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2019

30 PENSION & SIMILAR OBLIGATIONS (Continued)

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

	31 August 2019	31 August 2018
	£000	£000
Opening Defined Benefit Obligation	5,287	2,828
Transfer in of existing academies joining the academy trust	-	1,973
Current Service Cost	763	787
Past Service Cost	29	
Interest Cost	160	131
Employee Contributions	130	112
Actuarial Losses / (Gains)	1,208	(484)
Estimated Benefits Paid	(49)	(60)
Total	7,528	5,287

Changes in the fair value of the academy trust's share of

	31 August 2019	31 August 2018
	£000	£000
Opening Fair Value of Employer Assets	2,736	893
Transfer in of existing academies joining the academy trust	-	1,023
Expected Return on Assets	88	56
Contributions by Members	130	112
Contributions by Employers	719	636
Actuarial Gains / (Losses)	98	76
Benefits Paid	(49)	(60)
Total	3,722	2,736

31 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the Education and Skills Funding Agency. In the accounting period 31 August 2019 the academy trust received £27,859 (2018: £26,429) disbursed £28,182 (2018: £25,923) from the fund. Taking into consideration the brought forward values nothing was outstanding at the year end (2018: nil).

32 CONVERSION

On the 1st of November 2017 Sudbury Primary School Academy Trust joined Chrysalis Multi Academy Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred.

The assets and liabilities 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 Sudbury Primary 1.11.17.

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

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
Tangible fixed assets			
Freehold land and buildings	10,087	14,899	24,986
Plant and machinery	172	-	172
Furniture and equipment	335	-	335
Computer equipment	40	-	40
	10,634	14,899	25,533
Current assets			
Stock	6	-	6
Debtors due in less than one year	267	-	267
Cash in bank and in hand	530	-	530
	803	-	803
Liabilities			
Creditors due in less than one year	(164)	-	(164)
	(164)	-	(164)
Pensions			
Pension scheme liabilities	(950)	-	(950)
	(950)	-	(950)
Net assets	10,323	14,899	25,222