



**University of Chichester (Multi) Academy Trust
(A Company Limited by Guarantee)**

**Company Registration Number 8595545 (England and
Wales)**

Annual Report and Financial Statements

Year ended 31 August 2016



CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	30
Statement on Regularity, Propriety and Compliance	35
Statement of Trustees' Responsibilities	36
Independent Auditor's Report on the Financial Statements	38
Independent Reporting Accountant's Report on Regularity	40
Statement of Financial Activities incorporating Income & Expenditure Account	42
Balance Sheet	43
Cash Flow Statement	44
Notes to the Financial Statements' incorporating:	
Statement of Accounting Policies	45
Other Notes to the Financial Statements	50

University of Chichester (Multi) Academy Trust
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Reference and Administrative Details

Members

Clive Behagg
Margaret Eva
Romy Jones (Appointed 15 August 2016)
Philip Robinson

Trustees

C Behagg (Chair)
Jill Cook (Appointed 1 October 2015)
Richard Edwards
Kaye Forrest (Appointed 1 October 2015)
Sarah Gilroy (Resigned 21 July 2016)
Michael Grant
Charles Gregson
Deamonn Hewett-Dale
Romy Jones (Appointed 21 July 2016)
David Myers (Appointed 1 September 2015)
Graham Olway
Philip Robinson
Sue Samson
Jon Spence
Joe Vitagliano

Company Secretary

Helen Turner

Senior Team

Chief Executive

Sue Samson

Director of Financial and Commercial
Services

Helen Turner

Director of Standards and Effectiveness

Jerry Goddard (Resigned 31 August 2016)
James Humphries (Appointed 1 September 2016)

Principal Registered Office

University of Chichester
Bishop Otter Campus
College Lane
Chichester
PO19 6PE

Company registration number

8595545

Independent Auditor

MHA MacIntyre Hudson
New Bridge Street House
34-40 New Bridge St
London
EC4V 6BJ

Bankers

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

Solicitors

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees of the University of Chichester (Multi) Academy Trust (referred to in this document as 'the Trust') present their annual report together with the financial statements and auditors' reports of the charitable company for the twelve months to 31 August 2016. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. In this report the directors are referred to throughout as Trustees.

The Trust operates six academies in the south east of England: one junior school, four primary schools and one secondary school. The total pupil capacity of all six schools is 2705 with a total on roll of 1,675 as at the autumn 2015 census date.

Structure, Governance and Management

Constitution

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

The Trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as the University of Chichester Academy Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The cost of this insurance in the year was £1,343.

Method of Recruitment and Appointment or Election of Trustees

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

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

There are currently fourteen Trustees. We have chosen to appoint parents to our Local Governing Bodies and not to the main Board.

Trustees are selected in order to achieve the best mix of skills, effectiveness, leadership and impact. The required mix of skills and experience identified by Trustees included the following:

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year we have continued to strengthen our Board by recruiting Trustees with specific skills, experience and talents. Four new Trustees joined the Board during the year and brought with them a mix of talents including HR skills, links with the local community, business and commercial skills, strategic partnerships, links with local enterprise and experience of strategic leadership within an educational environment.

The Chair and CEO held informal induction sessions with each of the new Trustees. Induction sessions for Trustees were held in September and further training was run in May. Individual Trustees have also had meetings with members of the senior team to inform their role and to offer support in their areas of expertise.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Local Governing Bodies act with delegated authority from the Trustees. During the year six new local governors were appointed to meet skill gaps in Local Governing Bodies. Induction sessions for local governors were held in September, and network and training sessions run in November and April. Local governors have access to a wide range of additional training sessions provided through the service level agreements with their Local Authority. Whole governing body training sessions are also run on safeguarding, finance, HR and standards as well as on preparation for Ofsted Inspections. Further training and induction sessions have taken place this year in September and November.

We continue to use a specialist adviser to carry out support and mentoring for Chairs of Local Governing Bodies to ensure that they are fully cognisant and skilled to carry out their delegated responsibilities. Chairs also attend termly meetings with staff from the central team with their head teachers where they receive updates on changes to policy, developments in the Trust and have the opportunity to influence Trust-wide developments.

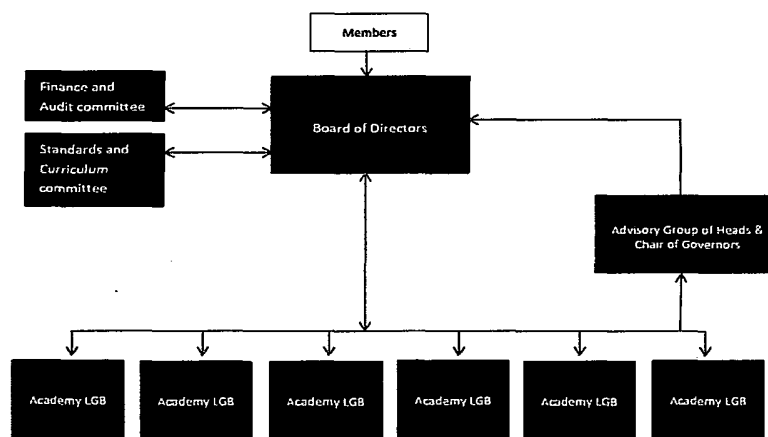
We developed and issued a Governance Toolkit to all our Governing Bodies during the year which supplements the EFA's Governance Handbook, gives guidance on our own internal processes and provides guidelines and materials to support high quality governance within our academies.

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

Organisational Structure

Annex A2 Governance Chart

MULTI-ACADEMY TRUST GOVERNANCE STRUCTURE



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

The Members are akin to the shareholders of the company. They have ultimate control of the academy trust

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

with the ability to appoint some of the Trustees and the right to amend the Articles of Association. The Trust currently has four Members and three are also Trustees which is in line with the Articles of Association of the company.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishing and running of academies. This is largely exercised through strategic planning and the setting of policy and also through the setting and monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The Trustees have formally delegated some of these powers to the CEO and some to Local Governing Bodies.

The Articles state that the business of the Trust shall be managed by the Trustees but that in the exercise of their powers and functions the Trustees may consider any advice given by the Chief Executive Officer and any other executive officer. The Chief Executive Officer is assisted in this task by the senior team who are responsible for managing all operational activity within the Trust.

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

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

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

The employees hold posts within the Trust's academies and were employed at the school prior to the school moving to academy status. In line with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) the employees retained their terms and conditions, including pay. The Trust's Pay and Reward Policy, approved by the Board, sets out arrangements for the pay and remuneration of all employees, and informed by the School Teachers' Review Body and the National Joint Council for Local Government Services, the Trust's senior team approve all staff annual pay awards.

Related Parties and other Connected Charities and Organisations

The University of Chichester (Multi) Academy Trust was established in July 2013 by the University of Chichester acting as its sponsor. This formed part of the University's strategy of transforming life chances through education and regeneration of local communities and also supported its widening participation in higher education strategy. Sponsoring academies was seen as a way of supporting lifelong learning and making a lasting difference to local communities using the University's expertise in education more widely to support the leadership, management and school improvement agendas in schools and providing a catalyst for improving the educational outcomes for children and young people.

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

The University also provided financial support to the Trust during its start-up phase by seconding University employees to the Trust and charging their costs to a loan account; this loan has EFA approval. The loan has a seven-year term, repayable in 2022, and has no interest charges and no penalties for early repayment. The balance on the loan account stands at £512,475 as at 31 August 2016.

All central staff working for the Trust, whether full time or seconded on a part-time basis, have employment contracts with the University. The Trust is responsible for all of the costs of the seconded staff and for directing the work of the individuals.

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

The University has influence over the University of Chichester (Multi) Academy Trust's Board through its ability, as set out in the Articles, to appoint up to six Directors. This gives the University influence in setting

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

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

The Articles also set out the University's interest in the Membership of the Trust by appointing the Vice Chancellor and a nominee of the University as two of the five Members, neither of whom receive any remuneration from the Trust. Two of the original signatories to the Memorandum remain as Members together with an independent Member and a fourth Member appointed during the year. One vacancy exists for a fifth Member as at 31 August 2016.

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

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

Objectives and Activities

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

Objects and Aims

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

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

Objectives, Strategies and Activities

The vision of the Trust is to provide excellent education through an eclectic, cross phase family of schools with the common aim of continuous school improvement through challenge, collaboration and support.

The provision has the following aims:

- Promoting high aspirations and success for all.
- Ensuring progressive and sustained improvement in the quality of teaching and the standards of education provided.
- Creating a learning environment where staff promote and deliver a dynamic, engaging and relevant learning experience for pupils.
- Supporting and building leadership and management capacity within and across schools.
- Valuing and supporting outstanding teaching and encouraging and supporting the continued professional learning of staff.
- Developing a community where parents and carers are valued and engaged in the learning community.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

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

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

Strategic Development and Governance:

Key Objectives:

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

To ensure that the Board and the Local Governing Bodies are well structured, skilled and engaged, adding value to the leadership of the Trust through its central team and its academies.

This is delivered through the following strategies and activities:

An effective and efficient planning process

Activity: Review the Strategic Plan for the Trust in the context of the developing government agenda and subsequently revise the Delivery Plan, growth plan, development programme and project plans to ensure that the work of the Trust is well managed, effectively targeted and delivered within the capacity of the Trust.

Well managed and appropriately timed Board and Committee Meetings

Activity - Develop a programme of Board and committee meetings linked to the planning cycle of the Trust. Appoint new Trustees with appropriate expertise. Induct and inform new Trustees to enable them to provide appropriate challenge and support. Well targeted and appropriate papers circulated a week in advance of the meeting. Targeted use made of the experience and expertise of individual Trustees.

Ongoing Training and Support

Activity - Provide a programme of Training and Development for Members, Trustees and Local Governors to ensure that they take a strong and dynamic role in leading the Trust and its constituent academies:

- Trustee and member recruitment, induction, training and development.
- LGB Governor recruitment, induction, training and development.
- Induction of new Governing bodies on transfer.
- Production of a Governance toolkit to provide core guidance and to provide opportunities to share good practice.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

A clear robust process of delegation and accountability

Activity - *Ensure that clear and robust delegation processes operate effectively through the Scheme of Delegation, the process of delegation and differentiated delegation profiles for each academy with robust monitoring and accountability procedures.*

Legal compliance

Activity - *Review the guidance and policies of the Trust and the formal monitoring procedures in light of new growth profile to ensure that all Trust academies are operating within statutory guidelines and are legally compliant.*

Admissions

Activity - *Oversee the role of the Trust as an Admissions Authority and ensure that all academies have appropriate and compliant admissions policies and processes and are developing appropriate community engagement plans.*

Performance Indicators:

- High quality Board meetings with Trustees providing effective challenge and support on both standards and financial matters.
- Risk management processes effectively managing risk and dealing with issues.
- Positive evaluation of effectiveness of governance using the 21 questions from the cross parliamentary committee.
- Delegation profiles issued and LGB's taking on appropriate levels of accountability.
- Programme Plan, Growth Plan and development programme used to effectively manage workload and deliver objectives.
- All academies operating within statutory guidelines and legally compliant.

School Improvement and School Effectiveness:

Key Objectives:

To develop the reputation of the Trust for innovation and excellence.

To develop high quality curriculum and standards analysis and reporting processes linked to new standards which enable the Trust to deliver its statutory responsibility for ensuring the delivery of a broad and balanced curriculum in all its academies, and ensuring all pupils and students are making appropriate progress and achieving high standards.

To develop effective improvement processes and strategies with demonstrable impact in academies.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

To ensure that all academies are safe learning environments and all children and young people are effectively safeguarded.

These will be delivered through the following strategies and activities:

The School Improvement Cycle

Activity - *Recruit, train, deploy and manage the Academy Improvement Partners to ensure that they deliver high quality support and challenge to Headteachers and the Trust through the agreed cycle of visits and effective analysis and reporting.*

Consistent Operational Planning Processes.

Activity - *All academies have an annually reviewed School Evaluation Form (SEF,) effective Journey to Excellence Plans (J2E) and agreed support plans. These are monitored through a termly review cycle and analysis of the Headteacher's report to governors.*

Data and reporting systems

Activity - *Undertake data reviews and produce formal reporting and quality assurance procedures to meet the accountability requirements of the Trust, reporting to the CEO and to the Standards & Effectiveness Committee.*

Institute of Education support

Activity - *Ongoing development of the relationship with the Institute of Education (IoE) to provide school improvement and professional development support for academies and monitor the impact of the IoE's work in Trust academies.*

Training and support

Activity - *Run an annual conference for Primary staff. Deliver a number of training programmes on programmes such as Maths mastery, SENCO training, middle leadership training, growth mindsets. Developing additional methods, models and examples of School to School support.*

Safeguarding Monitoring

Activity - *Ensure that all academies are compliant with current Safeguarding regulations including KCSIE, WTSC and Prevent Duty by overseeing the annual Safeguarding Audit process and its report to LGB and the respective Local Authority. To share best practice in Safeguarding so that it is consistent and coherent across the Trust and external validation confirms this.*

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Performance Indicators:

- Improved % of teaching is good and outstanding.
- Standards of achievement improve overall and in individual academies.
- Progress measures improve with a higher % of pupils achieving expected and above expected levels of progress.
- All academies comply with all safeguarding requirements.

Human Resources

Key Objectives:

To provide a professional HR service that has a positive impact on an academy's Journey to Excellence Plan and supports the strategic aims of the Trust.

To develop a single pay and rewards policy to support the objective of the Trust to be an employer of choice.

To develop an innovative recruitment, retention and talent management strategy which attracts high quality teachers and leaders to the Trust and encourages talent to grow and be retained.

These will be delivered through the following strategies and activities:

Policy development and maintenance

Activity - *Ensure that the Trust has approved HR processes which are fully compliant and meet the needs of all of its employees and are used in all Academies.*

System development

Activity - *Develop and maintain new HR self-service system to enable the Trust to provide an efficient and effective HR and Payroll service to a growing number of academies.*

School development and viability

Activity - *Support management review and restructuring in new schools joining the Trust and existing academies where needs arise.*

Recruitment, retention and talent management.

Activity - *Ensure recruitment, retention and talent management of staff is consistent and robust to ensure that we both attract and grow our own high quality staff that align with our culture and values. Develop a new pay and reward policy to ensure that there is equity across the Trust schools.*

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Performance Management

Activity - *Establish a consistent performance management processes both within individual academies and across the Trust that improve the quality of teaching and leadership in our academies.*

Performance Indicators:

- Policies delivered and compliance assured.
- Successful recruitment campaigns.
- Low absenteeism.
- Improved quality of teaching and leadership in our schools.

Finance

Key Objectives:

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

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

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

Strategic Planning:

Activity – *To develop a robust Financial Strategy to enable the Trustees to be well informed about the financial position and the options for change, and update regularly to inform decision making of the senior team and the Board. Further details are given on p21.*

Financial Management

Activity - *Manage the central and academy based finances of the Trust following all EFA requirements and processes including undertaking internal audit and meeting all the requirements of the external audit processes and the Charity Commission in a timely and robust way including preparing and submitting financial returns to EFA, HMRC, TPS and LGPS.*

Board and Committee Meetings

Activity - *Provide high quality information to the Accounting Officer, the Board and the Finance & Audit Committee to enable them to understand and monitor the financial position and make informed and secure decisions on the financial management and financial viability of the Trust including its individual academies.*

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Training and Support

Activity - To provide training and support for academy Business Managers and Finance Officers to ensure that they are knowledgeable, skilled and self-sufficient, and develop school to school support structures across our two local areas.

Risk Management

Activity - Undertake rigorous Due Diligence processes and report on financial implications of any potential converter or sponsored academies.

Innovation

Activity - Explore opportunities to bid for additional funding for the Trust and its academies, and secure additional funding to ensure the Trust is financially sustainable and able to meet development needs.

Payroll

Activity - Oversee payroll provision to ensure staff are paid accurately and on time and that the payroll provider delivers the service required.

Performance Indicators:

- No high level compliance issues identified by the external audit.
- Trust and academies operating within in year budgets.

More detailed indicators available in the Financial strategy.

Premises

Key Objectives:

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

This will be delivered through:

Core offer

Activity – To provide an annual visit to existing schools to review the five year premises plan and discuss priority needs. Produce a detailed report on any action needed for both the school and the Trust.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Bid writing

Activity – *To support projects for targeted schools to improve the condition of the school and the learning environment for students.*

Health and safety

Activity - *To undertake an annual Health and Safety audit with the lead governor and staff member and produce a report and an action plan for further development.*

Project development

Activity - *To advise on projects which need development including providing the academies with client support when dealing with the Local Authority (LA) architects and developers engaged in any new schools or large building programmes within our academies.*

Due Diligence

Activity - *To assess the state of buildings and any existing commitments already made by the LA in schools who may potentially convert to Academy status with the Trust to ensure that the Trust is not taking on any poor quality buildings without a commitment to rectify the problem.*

Performance Indicators:

- Manageable five year premises plan in all academies.
- Funding secured to improve the condition of academies who have identified need.
- Health and Safety well managed in academies and no high risk incidents reported.
- Buildings improved by successful bids for external funding.

Public Benefit

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

- Enhancing school standards and effectiveness by developing effective improvement processes and strategies with demonstrable impact in academies.
- Developing effective governance processes and procedures through training and support and clear lines of delegation and accountability.
- Promoting leadership and management by giving support and guidance to Governing Bodies and Head teachers.
- Providing support for all professional services within each academy, including finance, HR, premises, IT and PR.

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

representatives.

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

STRATEGIC REPORT

Achievements and Performance (including key performance indicators)

Context

In 2015/16 the Trust had six academies. Five of the academies are primary academies and one is a secondary academy. All approvals were given in the 2013/14 academic year or earlier. 2014/15 was seen as a year of review and consolidation to ensure that the leadership, governance and delivery of the Trust was robust and secure and able to accommodate future growth. 2015/16 was the year of preparing for growth with a focus on refreshing the growth strategy, recruitment and due diligence. The Trust also embedded new systems and processes to prepare for growth. Three new academies have received an academy order and two started with the Trust in September 2016.

Strategic Development and Governance

This year has seen a considerable focus on preparing for growth with a strengthening of governance, a stronger programme of school to school support and an increase in activities linked to the University. Trustees have developed their role and have provided strategic support for the executive on Premises, HR and Financial planning which has increased both HR and Finance skills and increased the business acumen of the Trust as well as the links to the newly established Institute of Education at the University. Induction meetings have been held with all new Trustees and an introductory workshop has also been run for new Trustees and members of Local Governing Bodies and will feature twice a year as part of the cycle of events. The Scheme of Delegation has been reviewed with a bespoke and differentiated delegation profile issued to each Local Governing Body before the start of the new academic year. The level of delegation given to an academy is based on a strategic review of each governing body's capacity to take decisions for the academy on behalf of the Trust Board. This process is operating effectively as part of the annual monitoring and accountability cycle of the Trust and the levels of delegation to local governors have increased in line with the capacity of the local governing bodies. A Governance Toolkit produced this year to support effective local governance has been updated with statutory changes and with good practice examples for the academies.

The quality of governance in the Trust through its Board and Local Governing Bodies and through its systems and processes is secure and effective. A self-review of governance has been undertaken and the outcomes and further analysis of strategic review outcomes indicates that performance indicators have been met. The governance structure is under regular review by the Advisory group in preparation for both hubs and Free School expansion.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

School Improvement and School Effectiveness

During 2015-6 the Trust continued to strengthen its academy improvement procedures with systems and structures which enable a coherent and consistent accountability and reporting system. A small team of high quality Academy Improvement Partners has been commissioned to monitor and assure the work of academies and a structured programme of support has been developed, tailored to each academy's need. The refocusing of the Trusts central resource during this period has enabled the Trust to employ additional academy improvement professionals to expand the team run by the University's Institute of Education and provide our academies with additional targeted support. As a result of these improvements, Ofsted was able to identify in an inspection report a strength in leadership: "Strong, effective support from the University of Chichester multi-academy trust (MAT). MAT leaders ensure that the school benefits from high-quality professional advice and support."

Results Summary Report 2016

Trust Wide data

In 2014-15 the Trust's academies included two primary academies and one secondary which had required Special Measures on transfer. During the year 2015-6 Ofsted inspected one of these academies and judged it to have made significant progress but not yet to have achieved a secure judgement of good in all categories. A further inspection at the start of the Autumn term judged another of our academies whose predecessor school was special measures to be good in all categories. Both of these schools have made significant progress since becoming an academy. The remaining legacy inadequate academy is also making good progress and is awaiting its first inspection as an academy.

As a set of academies our Trust varies from national proportions in some significant respects. We have more boys than girls, more pupils with low prior attainment and fewer with high prior attainment. As a proportion we have more pupils from deprived families than is seen nationally. We have more pupils with special educational needs and/or disabilities. We have nearly double the number of pupils entering our academies during Y5 and 6 than is seen nationally. Ethnically the Trust academies are much less diverse than nationally, where 75% of pupils are white British compared to 90% in our Trust. In summary our Trust is mainly white, has more boys and children from deprived families and more children with special needs than the national averages.

Primary and Secondary performance indicators have changed for 2015-16 making year-on-year comparisons across England's school system impossible.

At Key Stage 1 the Trust is above national averages for reading, writing and mathematics at the expected standard and in line with national average at higher standard. Pupils in Key Stage 1 make better than national rates of progress in reading, writing and mathematics at the expected standard and progress is in-line at the higher standard.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

At Key Stage 2 all the Trust academies are above the DfE Floor Standards, however performance is less consistent than at Key Stage 1 as some of the legacy issues continue to have an impact in some schools. Progress is above or in line with the national average for reading and mathematics in four of our five KS2 academies. In the remaining academy, attainment is in-line with the national average.

The Trust has one secondary academy at which outcomes are in-line with national averages (see below).

Berewood Primary

Berewood is a new academy serving a new and growing housing development. Due to the nature of the construction project, there is much movement of families into the development which results in the academy having a mobility rate amongst the highest in the country. The Trust has seen the role of Berewood as not only to be providing an excellent education for children in the locality, but also to have a significant role in the development of this new and emerging community. A very high proportion of pupils enter the school outside of the main transition points (YR and Y3). The academy is very skilful at managing this process. The academy is very popular receiving admissions requests well above PAN. A large proportion of pupils have transferred to the school having made poor progress in their previous school. End of key stage attainment and progress are in-line with national averages. The school has emerging strengths in maths and helping higher attainers and pupils from disadvantaged backgrounds make good progress. Behaviour in the school is excellent. Leadership in the school is particularly strong and has been enhanced further by recent recruitment to leadership posts in order to build capacity as the school grows. The teaching team is growing and is well supported. Some Newly Qualified Teachers in the school have joined from their training in the University's Institute of Education and have also been well-supported to ensure they continue with their professional development. Governance of the academy is strong with highly skilled governors who provide increasingly robust challenge as well as support. The academy is yet to be inspected. The academy is contributing expertise and experience of setting up a new academy successfully as part of the Trust's bid to establish Free Schools.

Fernhurst Primary

Fernhurst is a small academy serving a village in the north of West Sussex. It is a popular academy and has grown to one form of entry supported by building works in 2014. The school has greater social mobility than national comparisons partially caused by pupils relocating from the coastal strip into social housing which is part of the catchment area. The school provides a rich curriculum enhanced by Forest Schools and numerous opportunities for pupils to engage in music and drama and to participate in village life. Pupils at Fernhurst make strong progress in reading, writing and maths at KS2, 9% above the national average in reading at the expected levels. There are key strengths in outcomes for pupils who were high and middle prior attainers at KS2 and for disadvantaged pupils in KS1. On transfer to the Trust, the school required improvement, it is yet to be inspected as an academy.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Frogmore Junior

Frogmore Junior joined the Trust following four inadequate Ofsted Inspections and having been put into Special Measures as a result of several years of inadequate provision and five headteachers, three of whom were interim and none of whom had managed to change the fortunes of the school. The Trust established new leadership, employed many new teaching staff and established new systems and processes in the school. Creating the secure foundations for change took time but a strong ethos has been established and progress was made. In May 2016 the school was inspected by Ofsted who judged the school to have made good progress and, although it was judged as still needing further improvement, the inspectors made the following comments: "pupils' reading, writing and mathematics have improved, teaching is increasingly strong; leadership has stabilised and is focused on essential improvements; pupils are polite, co-operative and behave well and show increasingly keen attitudes to learning; arrangements for safeguarding are effective and the school benefits from effective support from the University of Chichester Academy Trust." Pupils join the academy in Y3 with very high prior attainment, so demonstrating progress for these children is demanding. They attained in-line with national averages at the end of KS2 this year.

Flying Bull Primary

Flying Bull Primary Academy serves a diverse and socially deprived area in the heart of Portsmouth. It is widely recognised as providing excellent provision which contributes strongly to social inclusion and raising outcomes for deprived children and their families. The school has strong and dynamic leadership and has a particularly strong professional development culture developing staff at all levels. The academy has continued to develop this year and is increasingly using its strengths to provide both trust-wide leadership and peer-to-peer support for other schools in the Trust. Key Stage 1 at Flying Bull is a strength with pupils attaining above the national average for reading, writing and maths, despite the low standards on entry. Progress is well in-line with national average. Maths is a key strength in the academy where at the end of KS2 last year pupils were in the top 10% of schools nationally for attainment and progress. Higher prior attainers and disadvantaged pupils do particularly well at this academy. Flying Bull was Good at its last inspection and has continued to strengthen its practice.

Kingsham Primary

Kingsham Primary is set in a deprived area of Chichester. Many pupils come to the academy with very low starting points and the academy works extremely well in its early years' provision to help these children catch up. The academy joined the Trust as a sponsored academy whose predecessor school was in Special Measures. The Trust initially employed an Interim Headteacher and Assistant Headteacher as change agents who undertook an organisational review, focused on improving teaching and learning and strengthened leadership and management in the academy which has had a positive impact on improving provision. High levels of support have also been provided by the Trust to improve English and mathematics and to support the professional development of individual teachers. The Trust appointed a permanent Headteacher in September 2016 and a new Assistant Headteacher joins the school in January 2017 to complete the permanent team. Alongside this the Trust has secured Condition Improvement Funding to

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

improve the accommodation at the academy and the work has now been completed so that the hall is refurbished and the building weatherproofed. KS1 is particularly successful at Kingsham Primary where progress in reading, writing and maths is 10% above national expectations at the end of KS1 and 6% above at the higher standard. At KS2 there are still some legacy issues although progress is now in-line with the national average. Pupils with special educational needs or disabilities make particularly strong progress, as do pupils with low starting points. The academy is yet to be inspected.

Mill Chase Academy

Mill Chase Academy is the secondary academy serving the garrison town of Bordon in East Hampshire. The town has undergone significant change over recent years as the army has moved out and a large proportion of families attending the school have left. Alongside this the academy had many years of inadequate leadership which has resulted in poor outcomes for pupils. The academy joined the Trust as a sponsored academy as its predecessor school required Special Measures. The Trust secured good leadership for the academy and the team has raised expectations and rapidly improved teaching and learning, behaviour and pupil outcomes. 'Senior Leaders have established an ethos of high expectation and aspiration which is central to the life of the school and is bringing about ongoing and rapid improvement' Ofsted 2016. Teachers know their subjects well and plan lessons which build on pupils' prior learning. They are passionate about doing the best for the pupils they teach, and understand their needs'. The academy's standing in the local community has risen and pupil numbers are increasing. The Trust provided intensive support for mathematics as well as support for science and English. Results for secondary schools for 2015-16 are unvalidated until January 2017. The percentage of pupils attaining A*-C in English and mathematics was in-line with the national average, as was progress overall with a cohort of pupils who attained significantly below the national average at key stage 2 on entry. Mathematics is a real strength in the academy with pupils achieving just over half a GCSE grade better at Mill Chase in mathematics than in the average of all schools. The academy was inspected in the autumn term of 2016 and found to be good in every category. The report stated that among other things the pupils now make 'increasingly good progress across a range of subjects by the end of Year 11, from starting points which are typically low. Where underperformance existed in the past standards are rising because of improvements in teaching'. The report also recognised the positive impact of the Trust in leadership and management, the governance of the school and in improvements in the quality of teaching and learning. Four recent trainees from the University of Chichester are now employed in the school. The school will have a new school building in 2019 funded primarily from S106, PSPB2, HCC contribution and from the sale of the current school land. This is an exciting programme of work placing the academy at the heart of the new regeneration area.

Human Resources

The Trust runs all its central services with five full time and four part time staff from the University of Chichester, which is an increase in both full time and part time staff this year as the Trust continues to grow. These staff are secondees and not direct employees of the Trust and are on terms and conditions and salaries defined by the University. The Trust also pays for Health and Safety, and Premises services

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

provided by the University. The Trust resources its school improvement service from the Institute of Education and from private quality assured leadership consultants known as Academy Improvement Partners. In the last year 85 days of consultancy time has been used to support senior leadership matching the specific needs of the school to the expertise of the consultant. The Trust has also paid for 154 days of staff time from the Institute of Education to meet the improvement needs of the schools. These staff, seconded and serviced, are all of very high quality and their impact is evident in our academies.

The Trust is the direct employer for 278 staff in its six academies. We have successfully recruited two new head teachers and have made our first formal staff transfer from one academy to another. We have also offered staff secondments to enhance the development of individuals and to meet the needs of schools. We have developed and launched a Trust-wide Pay and Rewards policy which will ensure consistency for all staff in our schools. It has been designed to meet the needs of a single employer to provide equity for its staff and also to support recruitment, retention and succession planning.

The Trust recognises that its staff are central to its success and strongly believes in the importance of staff feeling valued and involved in the Trust and its development. Staff are informed about the development of the Trust in termly bulletins and are invited to become involved in development projects. Initiatives have also been run to raise awareness of HR through the introduction of termly HR Matters newsletter, termly HR network meetings, in house recruitment and selection training for governors and leaders. The Trust also recognises the importance of working with the Trade Unions to develop best practice and to support staff and has established a Joint Consultative Group for this purpose.

Using an "invest to save" strategy the Trust has invested in an integrated HR and Payroll system this year designed for the education sector and configured to meet the needs of the Trust. This also includes a self-service function to enable the Trust to operate efficiently and effectively as it grows in size. The Trust academies were involved in the selection and configuration of the system and its full launch is scheduled for 2016/17 at which point the Trust will move to a single payroll provider from three, thus creating efficiencies and the more effective management of staff information.

The Trust has also invested in building up a bank of job profiles which have been evaluated and are being used and customised by each of its academies. It has also engaged in some major recruitment campaigns in academies including recruiting staff from overseas to secure quality teachers to teach the children at one of the academies where there were a limited number of applicants for key posts. Academies follow appropriate HR policies and procedures including attention to the Single Central Register and have all introduced a new visitor policy to ensure all safeguarding requirements are taken into consideration. All the academies were fully staffed at the start of the autumn term and all academies continue to operate within the DfE guidelines for the percentage of funding spent on staffing except where there are planned increases to ensure effective succession planning.

Premises

There continues to be three academies in the Trust with significant premises needs. Bids were made to the EFA's Condition Improvement Fund and PSBP2 programme for funds to support these needs. The Trust

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

secured £204k for Kingsham Primary School to undertake a weatherproofing and refurbishment programme for the school hall and the academy is delighted with the outcome which has had a significant impact on the quality of the learning environment. The Trust have also secured £1.6m for Frogmore Junior School for a recladding programme which will begin in early 2017 and will enable the children to be taught in classrooms which are fit for purpose. The programme of work will be undertaken by Hampshire County Council. The Trust is also a partner in a bid to the Priority School Building Programme 2 to completely rebuild Mill Chase Academy. PSBP2 funding will be combined with funding from Section 106 and the sale of the existing school site to provide a £30 million new school building. Hampshire County Council will manage the project and architects have been commissioned and designs produced; these will be submitted for planning permission in the new year. The building is scheduled to open in September 2019.

Profile and reputation

During 2015/16 the visual branding of the Trust and its academies has been further aligned with that of the University. There has been continued development of the Trust website, particularly the secure Portal. The governance section has been significantly enhanced and is well used. Website visitor and page view numbers have grown (e.g. 2321 page views in June 2014 to 4871 in June 2016).

A set of policies and templates has been developed to support all academies in their marketing and communications planning. This includes a critical incident management plan template and resource sheets; brand guidelines; advice on statutory website compliance; guidance on prospectus development and event planning; and policies for photography use and community engagement.

Media coverage for the Trust and University have included local press items on the University role in Berewood Primary School linked to the publication of the Green Paper proposing that Universities become involved in sponsoring schools. This national news item which featured the Trust Board Chair and the Head of Berewood School has resulted in the Trust being invited to present at a national conference in Birmingham for University Vice Chancellors to share their experience. The number of published press items increased for every academy compared to the previous academic year. Press coverage of Mill Chase Academy has been particularly positive and the reputation of this academy in its local community has been significantly enhanced by local media management as well as the significant improvements in the academy.

Financial Review

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

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

At the central Trust level, it moved further this year towards a break-even position as it took on two more academies in September 2016 and gained an academy order for a third. The central Trust also generated cost savings by reducing some of the central staffing costs and targeting expenditure at the high-risk areas

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

of school improvement, HR and finance. The Trust has estimated that it will break-even once it reaches twelve academies and expects this to be achieved in 2017-18.

The Trust has generated significant cash funds during the year by successfully bidding for two Condition Improvement Fund capital projects; on top of this it has been able to generate cash to pay back this year's instalment on the University loan.

The Trust has an agreement with all academies that surplus cash may be used across the Trust in order to target investment in key areas; This has not yet been fully implemented but the Trust will continue to look for opportunities to do so where there is surplus cash. However, the central Trust invested in a new integrated HR and payroll system which will deliver more consistency across academies and deliver long term cost savings as the Trust continues to grow. The HR system is now live and the payroll system will go live early in 2017.

Trustees were disappointed that the consultation on the National Funding Formula was delayed during the year as a change to the funding formula should benefit some of the academies, especially the small ones and those in West Sussex who fare badly under the current funding regime. Trustees await a decision from the Government that they intend to continue with this consultation.

Most academies are using their reserves as a buffer against either falling rolls or to absorb increasing pay and pension costs which are beyond their control. This is an unsustainable position and the finance team is working with academies to help them to find cost savings and to balance their budgets each year.

Trustees were delighted to receive two OFSTED judgements that were an improvement on the previous school's OFSTED category; this will help to bring more pupils into the academies and generate additional grant income.

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

The Trust made an overall loss, before pension scheme actuarial losses, of £1,638,000 for the year made up of the following surpluses/(deficits) on individual funds:

	£
Unrestricted funds	157,000
Restricted General funds	(636,000)
Restricted Fixed Asset Funds	(1,159,000)
Total funds	<u>(1,638,000)</u>

The Trust is using its accumulated surpluses to finance this deficit.

The deficit on restricted fixed asset funds is the depreciation charge on fixed assets less any capital income received during the year.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

The overall deficit on Restricted General funds, excluding intercompany transactions, broke down into individual surpluses/(deficits) by location as follows:

	£
Frogmore Junior School	(70,000)
Mill Chase Academy	(33,000)
Flying Bull Academy	(23,000)
Berewood Primary School	32,000
Fernhurst Primary School	1,000
Kingsham Primary School	77,000
Central Trust	(620,000)
Total deficit	<u>(636,000)</u>

The above consolidated figures do not include the Trust contribution charge to the academies/income to the centre, nor do they include the results for non-grant funded income and expenditure (unrestricted funds) such as donations and lettings income, so the figures in the academy's own management accounts differ from those above. The adjusted deficits/(surpluses) in the individual locations, taking the Trust intercompany contribution into account were as follows:

	£
Frogmore Junior School	(129,000)
Mill Chase Academy	(235,000)
Flying Bull Academy	(27,000)
Berewood Primary School	(3,000)
Fernhurst Primary School	(42,000)
Kingsham Primary School	(73,000)
Central Trust	(127,000)
Total deficit	<u>(636,000)</u>

The above figures reflect the results in the individual academy management accounts.

The results for the Trust as a whole were on budget but there were variances in individual academies as follows:

Three of the individual academy results were better than budget (Flying Bull, Fernhurst and Berewood) but the other three academies (Frogmore, Mill Chase and Kingsham) delivered an outturn that was worse than budget. These last three academies were previously schools in special measures and the fall in pupil numbers since this historic judgement continues to present challenges to their finances. The Trust is working with all academies to help them to balance their budgets and live within their reserves.

The central Trust's results include an adjustment for capital expenditure for the new HR and payroll system which has been moved to the restricted fixed asset fund.

Expenditure in all academies and in the central Trust was aimed at delivering our charitable objectives of

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

enhancing school standards and effectiveness, developing effective governance processes, promoting leadership and management and providing support for professional services.

During the year the Trust prepared to take on two new academies, Court Lane Infant School and Court Lane Junior School, which joined the Trust on 1 September 2016. The start-up costs and start-up grants are included in these figures.

At the end of the year the LGPS pension liability had increased from £1,044k to £2,318k as a result of the low yield on index-linked gilts which has resulted in a decrease in the net discount rate and, consequently, a higher current service cost. This balance is included in Restricted General Funds and the increase means that total Restricted General Funds now have a negative balance.

The financial results for the year, the positive results from two OFSTED inspections, the planned growth in the Trust and the planned capital projects mean that the Trust is confident that it is on track to deliver the financial strategy.

Reserves Policy

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

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

- Enable the academies to manage their central day to day operations and absorb any forecast deficits due to falling rolls over a period of three years.
- Provide sufficient working capital to enable the Trust to manage its central day to day operations.
- Enable reserves to be utilised for investment purposes across the Trust

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

The level of free reserves, represented by Restricted and Unrestricted General Fund reserves was £342k at 31 August 2016. However, the Trustees believe that the University is in effect providing a capital reserve through their long term loan of £475k and therefore the effective free reserves total is £817k which is equivalent to one month's worth of expenditure. The Trustees consider this to be acceptable but will continue to implement the financial strategy which focusses on growth to deliver a sustainable financial position and increase reserves back up to two months' expenditure or more.

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

At 31 August 2016 the total funds comprised:

	£'000s
Unrestricted	169
Restricted fixed asset funds	39,296
Restricted general funds:	
GAG	173
Pension reserve	(2,318)
	<hr/>
	37,320

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

Investment Policy

The Trust does not hold any investments but it does hold cash balances inherited from the Local Authority from its schools. These are held in interest earning deposit accounts with NatWest bank in the name of the Trust. We face a small financial risk as a result of holding cash balances in excess of £75,000 in these accounts and the Trustees are currently considering ways of mitigating that risk by spreading deposits around other Prudential Regulated Authority (PRA) banks. At the end of the year four of our bank accounts held balances in excess of £75,000.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date that these financial statements are authorised for issue. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Principal Risks and Uncertainties

The Trustees have considered the principal risks to which the Trust is exposed and have put measures in place to aim to mitigate those risks. A risk policy is in place and procedures exist to identify and manage risks. The principal risks facing the Trust are:

- HR team does not have capacity to deliver the major projects planned for the year whilst also maintaining a high quality HR service to our staff.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

- Difficulties in recruiting and retaining staff make staffing in some of our academies fragile.
- Central Trust staff do not have the capacity to manage the very significant capital programmes taking place in four of our academies.

Other risks considered by the Board during the year were the risk of receiving lower than expected OFSTED judgements and not being able to recruit new schools at the desired pace; these risks were reviewed at the end of the year by the Board who considered them to be minimal or mitigated and they were therefore removed from the Risk Register.

Additional resources have been allocated to the HR team to help them to manage the HR projects and we are in discussion with an individual who it is hoped will be able to assist with managing our capital projects. Recruitment of teaching staff is a national problem but we are working closely with the University's Institute of Education and with a number of commercial agencies to try and recruit good staff.

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

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

We have given training to all our academies during the year on how to assess the risks that they face and how to use the risk management tool to put together a risk register at each academy. Local Governing Bodies will use this to manage the risks they face and the Board will also review the academy risk registers.

Plans for Future Periods

The Trust has a clearly defined Growth Plan and an aspiration to have around 30 academies in geographical groups. The Trust is currently recruiting to target, developing in a phased way with resourcing for growth built into a robust financial strategy and plan.

Strand 1: To increase the number of good and outstanding schools in the MAT with priority given to schools in Portsmouth/Waterlooville in 2016/17.

Strand 2: To develop one or two hubs in Portsmouth/Waterlooville following phase 1.

Strand 3: To expand the number of academies along the West Sussex coastal strip to include bidding for free school projects ultimately building one or two additional hubs.

Strand 4: To increase the number of academies in the Bordon area linked to the rebuild of Mill Chase Academy and develop Mill Chase as a Centre of Excellence for teacher training and professional development linked to the University Institute of Education.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Phase 1							
Phase 2							
Phase 3							
Phase 4							

Priorities for 2016/17

1. Continuing to enhance governance through targeted use of individual Trustees and Governors skills and expertise.

We have recruited a highly talented set of Trustees and local governors who are well informed and active; participants primarily contribute their experience and expertise through attending meetings and scrutinising and challenging data provided. We plan to extend the benefit of this rich resource by engaging those individuals in a targeted way in key aspects of the work of the Trust.

2. Growing the Trust in a targeted way – Hub development

As we grow our Trust, we plan only to recruit schools in groups or within a 30-minute travel time of an existing academy. This will enable our academies to work in 'hubs' or groups of academies to share specialist teaching and professional services and to work together on curriculum and professional development activities whilst also being part of a rich wider Trust network engaging with the University. We also plan to grow in a way which is managed and secure and achievable within our capacity. Our priority will always be to ensure we are able to meet the needs of our existing academies.

3. Developing free schools

We plan to bid to establish a group of Free Schools to meet the need for school places in new housing developments in Bognor Regis, Chichester, Bordon and Waterlooville. We will also consider other opportunities in our hub areas. Our Free Schools will be established to provide an integrated and dynamic curriculum with a focus on 'learning from making' and will be linked to the University Technology Park, a major new University initiative opening in 2018.

4. Increasing HR capacity

We are launching a new model of delivering HR to involve self-service delivery and a single payroll system. This will ensure that the professional HR Service currently delivered can meet the needs of a growing number of staff by increasing HR capacity and capability in the schools and launching the staff self-service

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

This will ensure that the professional HR Service currently delivered can meet the needs of a growing number of staff by increasing HR capacity and capability in the schools and launching the staff self-service system to increase efficiency.

5. Running School Direct as part of ITT offer

The University runs Initial Teacher Training and also runs a large number of professional development courses for teachers. To add to this offer we have launched a Trust-wide School Direct programme which will enable teachers to be trained in our academies through a programme designed and delivered by the Trust and benefiting from the experience and expertise of the University.

6. Developing leadership

We believe that high quality confident leadership is essential in our schools if they are to be creative and innovative places for children to learn and for staff to work. We are currently scoping the local and national opportunities and the provision that our academies value and have the most impact on practice. We will then design and develop a programme for the Trust based on leading edge research and current good practice.

7. Increasing school to school support

There are many areas of excellence in our academies. Our academies are generous with their time and support each other freely when asked. We have begun to develop a programme where we can work together in a more structured and systematic way both across the Academy Trust and in local 'hubs'. This is a feature of our growth and capacity planning.

8. Further developing partnerships with the University

Many exciting links are emerging between the University and the Trust's academies. These links include research projects, artists in residence, forest schools, and schools engaging in activities on the University site. We plan to extend these opportunities through close working with the University so that the schools and the children they teach benefit from links to the University and the University students benefit from links to our schools.

9. Deliver Financial Strategy

To deliver the financial strategy through a central specialist team and skilled local business managers. With reduced reliance on the central team the Trust will focus on further developing its business manager model to prepare for stronger hub delivery.

10. Premises

To work closely with the EFA and Hampshire County Council to deliver the capital projects for Frogmore and Mill Chase and any future capital projects in our academies.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 15 December 2016 and signed on the board's behalf by



Clive Behagg

Chair of Board

15 December 2016

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2016

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
C Behagg	5	5
Jill Cook	4	5
Richard Edwards	4	5
Kaye Forest	4	5
Sarah Gilroy	5	5
Michael Grant	3	5
Charles Gregson	2	5
Deamonn Hewett-Dale	4	5
Romy Jones	1	1
David Myers	4	5
Graham Olway	4	5
Philip Robinson	4	5
Sue Samson	5	5
Jon Spence	4	5
Joe Vitagliano	3	5

Sarah Gilroy resigned during the year and has been replaced by Romy Jones. David Myers, Jill Cook and Kaye Forrest were appointed at the start of the year to replace Ian Child and Richard Martin and to fill the remaining vacancies on the Board.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Board undertook a review of its own governance during the year using the 21 questions for Multi Academy Trusts from the All Party Parliamentary Group. Most areas were felt to be strong, and to be having an impact on the overall governance of the Trust and its academies, but it was agreed that more consideration needs to be given to succession planning and making more use of the expertise of individual Trustees. The next review of governance will be held in September 2017.

Membership of the Finance and Audit Committee is as follows:

Philip Robinson
Richard Edwards
Charles Gregson
Sue Samson (Chief Executive and Accounting Officer)
David Myers (From 1 September 2015)
Kevin Jones (Director of Finance and Performance University of Chichester)

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

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

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

- Reviewing University loan agreement
- Reviewing Sponsor Agreement with University
- Approving charging and remissions policy
- Monitoring the HR and payroll project
- Reviewing internal audit action plans from previous year
- Setting an internal audit programme for 2015-16 and approving its results and recommendations
- Approving a financial strategy
- Approving budgets for academies and the central Trust
- Reviewing management accounts for academies and central Trust
- Reviewing the reserves policy
- Ensuring no instances of fraud
- Reviewing statutory returns to EFA
- Review of benchmarking data

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

Review of Value for Money

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

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

1. Procurement from previous local authorities using their accredited framework providers.
2. Procurement using the University of Chichester framework of preferred providers.
3. Procurement using the Trust's Procurement Policy.
4. Quality assurance of service providers by the Director of Financial and Commercial Services and colleagues in the central Trust team.
5. Time limited contracts with built-in review arrangements.
6. Termination clauses in contracts if quality is not at an acceptable level, as defined by set parameters.
7. Monitoring of all school payments over £10,000 to ensure that school resources are being spent appropriately.

A central procurement exercise was carried out during the year to reduce energy costs. By moving to a new energy provider we expect to make savings of £20k pa across the Trust.

The Trust also moved the Trust's insurance to the Risk Protection Assurance scheme run by the EFA. This will make cost savings of approximately 44% although there will also be a reduction in the insurance grant of the same amount meaning that the net saving is nil.

A tender exercise was carried out for a new integrated HR and payroll system which will give the us a Trust-wide HR system for the first time and a managed payroll service which will encompass all our academies. This will help us to operate more efficiently as a Trust and enable us to support our employees more effectively; we also hope that it will generate long term cost savings as we take on more academies.

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

The Purpose of the System of Internal Control

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued) FOR THE PERIOD ENDED 31 AUGUST 2016

ensure that the controls are enhanced or replaced in order to meet the requirements of the Trust.

The system of internal control has been in place in the University of Chichester Academy Trust for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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

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

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees and is an ongoing process.

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

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

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

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

The outcomes of the internal audits were reported to the Finance and Audit Committee in September 2016. There were no material control issues.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016**

Review of Effectiveness

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

- the work of MHA MacIntyre Hudson as external auditor.
- the financial management and governance self-assessment process.
- the work of the Director of Financial and Commercial Services who has responsibility for the development and maintenance of the internal control framework.
- The work of the Finance and Audit Committee.
- The internal audit programme carried out by the Finance team.
- The financial strategy and actions associated with it.

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

Approved by order of the members of the board of Trustees on 15 December 2016 and signed on its behalf by:



Clive Behagg

Chair of Board



Sue Samson

Accounting Officer

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2016**

As Accounting Officer of the University of Chichester Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Sue Samson
Accounting Officer
15 December 2016

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees (who act as governors of the University of Chichester Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

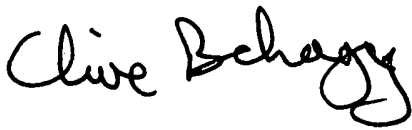
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016**

Approved by order of the members of the board of Trustees on 15 December 2016 and signed on its behalf by:

A handwritten signature in black ink, reading 'Clive Behagg'. The signature is written in a cursive style with a large, stylized 'C' and 'B'.

**Clive Behagg
Chair of Board**

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE UNIVERSITY OF CHICHESTER (MULTI) ACADEMY TRUST FOR THE PERIOD ENDED 31 AUGUST 2016

We have audited the financial statements of the University of Chichester (Multi) Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities (including Income and Expenditure account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
UNIVERSITY OF CHICHESTER (MULTI) ACADEMY TRUST
FOR THE PERIOD ENDED 31 AUGUST 2016

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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.



Sudhir Singh FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson

Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 21 December 2016

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO UNIVERSITY OF CHICHESTER
(MULTI) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31 AUGUST 2016**

In accordance with the terms of our engagement letter dated 20 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the University of Chichester (Multi) Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the University of Chichester (Multi) Academy Trust's funding agreement with the Secretary of State for Education dated 23 August 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO UNIVERSITY OF CHICHESTER
(MULTI) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31 AUGUST 2016

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: *21 December 2016*

University of Chichester (Multi) Academy Trust

Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure account and statement of recognised gains and losses)

	Notes	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2016 £'000s	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2015 £'000s
Income and endowments from:									
<i>Donations and capital grants</i>		41	126	-	168	330	27	-	357
Donations - transfer from local authority on conversion	3	-	-	-	-	-	(178)	20,725	20,547
Capital grants		-	-	269	269	-	-	126	126
<i>Charitable activities</i>									
Funding for the academy trust's educational operations	4	-	9,422	-	9,422	55	9,673	-	9,728
Other trading activities	5	151	24	-	175	119	5	-	123
Investment income	6	-	6	-	6	-	2	-	2
Total incoming resources		192	9,578	269	10,039	504	9,529	20,851	30,884
Resources Expended									
<i>Expenditure on raising funds</i>									
Expenditure on raising funds	7	35	-	-	35	212	-	-	212
<i>Charitable activities</i>									
Academy trust educational operations	8	-	10,220	1,423	11,643	164	9,351	1,327	10,842
Total resources expended	7	35	10,220	1,423	11,678	376	9,351	1,327	11,054
Gross transfers between funds	17	-	5	(5)	-	(141)	(47)	189	-
Net income/(expenditure) for the year		157	(637)	(1,159)	(1,638)	(13)	131	19,713	19,831
Other recognised gains and losses									
Actuarial (losses) on defined benefit pension schemes	28	-	(1,166)	-	(1,166)	-	94	-	94
Net movement in funds									
Reconciliation of funds									
Total funds brought forward	17	12	(343)	40,455	40,124	25	(568)	20,743	20,200
Total funds carried forward	18	169	(2,145)	39,296	37,320	12	(343)	40,455	40,124

The notes on pages 45 - 77 form part of these financial statements.

Balance Sheet as at 31 August 2016

Company number 8595545

	Notes	2016 £'000s	2015 £'000s
Fixed Assets			
Tangible Assets	14	39,300	40,327
Current Assets			
Debtors	15	681	1,011
Cash at bank and in hand		<u>1,592</u>	<u>1,447</u>
		2,273	2,458
Liabilities			
Creditors: amounts falling due within one year	16	1,460	1,092
Net current assets		<u>814</u>	<u>1,366</u>
Total assets less current liabilities		<u>40,113</u>	<u>41,693</u>
Creditors: amounts falling due after one year	16	<u>475</u>	<u>525</u>
Net assets excluding pension liability		39,638	41,168
Defined pension scheme liability	28	(2,318)	(1,044)
Net assets including pension scheme liability		<u>37,320</u>	<u>40,124</u>
Funds of the academy trust			
Restricted Funds			
Fixed Asset fund	17	39,296	40,455
General fund	17	172	701
Pension reserve	17	<u>(2,318)</u>	<u>(1,044)</u>
Total restricted funds		37,151	40,112
Unrestricted Income Funds	17	<u>169</u>	<u>12</u>
Total funds		<u>37,320</u>	<u>40,124</u>

The financial statements on pages 42 - 77 were approved by the trustees and authorised for issue on 15 December 2016 and are signed on their behalf by:



Clive Behagg
Chair of Board

Statement of cash flows for the period ended 31 August 2016

	Notes	2016 £'000s	2015 £'000s
Cash flows from operating activities			
Net cash used in operating activities	21	316	2
Cash flows from investing activities	23	(121)	(124)
Cash flows from financing activities	22	(50)	(50)
Change in cash and cash equivalents in the reporting period		145	(172)
Cash and cash equivalents at 1 September 2015		1,447	1,619
Cash and cash equivalents at 31 August 2016	24	1,592	1,447

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 uncertainty is set out below.

Basis of Preparation

First time adoption of FRS102

These financial statements are the first financial statements of the University of Chichester Academy Trust, which is a public benefit entity, prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102) and the Charities SORP 2015 (SORP 2015). The financial statements of the University of Chichester Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2015.

Some of the FRS102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS102 and SORP2015.

Reconciliation to previous UK GAAP are included in Note 32. The University of Chichester Academy Trust meets the definition of a public benefit entity under FRS102.

Going Concern

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

In reaching that conclusion the trustees have considered the level of reserves at the time of writing this report and the budgeted income and expenditure for the forthcoming 12 months for their existing academies. They have also considered the probable income and reserves from three schools who are expected to join the trust in the next 12 months. We have had approval from the Regional Schools Commissioner to take on up to five schools each year and we have also submitted two bids for Free schools which will attract grant income, so the trustees consider this to be a prudent approach.

Income

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

Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 as a recognised liability.

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

▪ **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where the receipt is probable and it can be measured reliably.

▪ **Donations**

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

▪ **Other Income**

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

▪ **Donated goods, facilities and services**

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

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

Expenditure

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

▪ **Expenditure on Raising Funds**

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

▪ **Charitable Activities**

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

▪ **Governance Costs**

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

Tangible Fixed Assets

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

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

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

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

Building additions **lease term or estimated useful remaining life if less**

Equipment **5 years or estimated useful remaining life if less**

Furniture **4 years**

Computer equipment and licences **5 years**

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

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

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.

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.

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 discounts is recognised within interest payable and similar charges.

Leased Assets

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

Stock

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

Taxation

The 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 28, 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 and the contributions recognised in the period to which they relate.

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

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

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 28, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Conversion of academies

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

Note 2 General Annual Grant

The Supplemental Funding Agreement for Berewood Primary School states that General Annual Grant is based on estimated pupil numbers; this means that there are restrictions on the amount of surplus that can be carried forward. After making enquiries of the EFA we believe that the surplus funds for the academy are within the restrictions set by the EFA.

Note	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2016 £'000s	Total 2015 £'000s
3 Donations and capital grants					
Transfer from Local Authority on conversion:					
Fixed assets	-	-	-	-	20,725
Budget surplus on Local Authority funds	-	-	-	-	86
Defined benefit pension scheme deficit	-	-	-	-	(264)
Start up grant			-		
Donations	31	85	-	116	196
Other income	10	41	-	51	161
Capital grants	-	-	269	269	126
	41	126	269	436	21,030
2015 total	329	(150)	20,851	21,030	

Note	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2016 £'000s	Total 2015 £'000s
4 Funding for the Academy Trust's Educational Operations					
DFE/EFA Revenue Grants					
General Annual Grant	-	7,654	-	7,654	7,727
Pupil Premium	-	727	-	727	935
Start-up grants	-	50	-	50	-
School Improvement Grants	-		-		45
Other EFA Grants excluding capital	-	395	-	395	594
Other Government Grants					
Special Educational Needs Funding	-	242	-	242	229
Local authority nursery funding	-	199	-	199	-
Student placements	-	2	-	2	42
Local authority grants	-	54	-	54	-
Other income for Academy Trust's educational activities					
Catering income	-	49	-	49	55
Provision of education services to other schools	-	51	-	51	101
	-	9,422	-	9,422	9,728
2015 total	55	9,673	-	9,728	
5 Income from other trading activities					
Lettings income	144	-	-	144	106
Uniform sales	4	-	-	4	2
Sales of goods and services	2	-	-	2	8
Sundry	-	24	-	24	5
Solar panel income	1	-	-	1	3
	151	24	-	175	124
2015 total	119	5	-	124	
6 Investment income					
Short term deposits	-	6	-	6	2
	-	6	-	6	2
2015 total	-	2	-	2	
TOTAL	192	9,578	269	10,039	30,885
2015 total	503	9,529	20,851	30,885	

Note

7 Resources Expended

	Note	Staff Costs £'000s	Premises Costs £'000s	Other Costs £'000s	Total 2016 £'000s	Total 2015 £'000s
Expenditure on raising funds						
Expenditure on raising funds		-	35	-	35	212
Academy's Charitable Activities						
Direct costs	8	6,660	-	555	7,215	6,595
Allocated support costs	8	1,303	1,896	1,228	4,427	4,237
TOTAL resources expended		7,963	1,931	1,783	11,678	11,044

Resources expended were £11,678,000 (2015: £11,054,000) of which £35,000 was unrestricted (2015: £376,000), £10,310,000 was restricted (2015: £9,351,000) and £1,332,000 restricted fixed asset funds (2015: £1,327,000).

There were no ex gratia/compensation payments.

	2016 £'000s	2015 £'000s
Net expenditure for the period includes:		
Operating lease rentals	13	27
Depreciation	1,422	1,363
Fees payable to auditor for		
Audit	27	32
Other services	5	20

Note

	Total 2016 £'000s	Total 2015 £'000s
8 Charitable activities		
Direct costs - educational operations	7,215	6,580
Support costs - educational operations	4,427	4,262
	<u>11,643</u>	<u>10,842</u>

Resources expended were £11,643,000 (2015: £10,842,000) of which £Nil was unrestricted (2015: £164,000), £10,201,000 was restricted (2015: £9,351,000) and £1,442,000 restricted fixed asset funds (2015: £1,327,000).

	Total 2016 £'000s	Total 2015 £'000s
Direct costs - educational operations	7,215	6,580
Total direct costs	<u>7,215</u>	<u>6,580</u>
Support costs - educational operations		
Support staff costs	1,303	1,282
Depreciation	1,422	1,363
Technology costs	-	-
Premises costs	616	562
Other support costs	1,086	1,056
Total support costs	<u>4,427</u>	<u>4,262</u>
Total direct and support costs	<u>11,643</u>	<u>10,842</u>

9 Governance Costs

	Total 2016 £'000s	Total 2015 £'000s
Legal and professional fees	18	(37)
Bank charges	5	
Auditors' remuneration:		
Audit of financial statements	32	32
Supplementary Work Programme	-	17
Other advice - VAT	-	3
	<u>55</u>	<u>15</u>

Note

10 Staff

a. Staff costs

	Total 2016 £'000s	Total 2015 £'000s
Staff costs during the period were:		
Wages and salaries	6,407	5,946
Social security costs	434	380
Pension costs	1,000	778
Supply staff costs	122	112
Staff restructuring costs	-	24
	<u>7,963</u>	<u>7,240</u>

b. Staff severance payments

There was one staff severance payment made during the year. This was a legacy of the re-structuring at Mill Chase Academy which had started in 2013-14. A post in the Design and Technology Department was lost in December 2015. A payment of £7k was made during 2015-16 which was no more than the statutory/contractual entitlement.

c. Staff numbers

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

	2016	2015
<i>Charitable activities</i>		
Teachers	95	102
Administrative support	186	162
Management	14	13
	<u>295</u>	<u>277</u>

d. Higher paid staff

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

	2016 Number	2015 Number
£60,000 - £65,000		5
£65,000 - £70,000		1
£70,000 - £75,000	1	1
£75,000 - £80,000	2	3
£80,000 - £85,000	1	
£85,000 - £90,000		1
£90,000 - £95,000	1	1
£105,000 - £110,000		2

e. Key Management Personnel

The key management personnel of the academy trust comprise the Trustees and the members of the senior team listed on p1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £396,147 (2015: £387,000).

Note**11 Central Services**

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

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

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

Outstanding	4% (5% in year 1)	+/- 1%
Good	4% (5% in year 1)	+/- 1%
Requires improvement	6%	+/- 1%
Serious weaknesses	8.50%	+/- 1%
Special Measures	8.50%	+/- 1%

The actual amounts charged during the period were as follows:

	2016	2015
	£'000s	£'000s
Frogmore Junior School	59	55
Mill Chase Academy	212	230
Flying Bull Academy	66	64
Berewood Primary School	36	29
Fernhurst Primary School	33	25
Kingsham Primary School	87	90

The trust's central costs, excluding those spent on start-up costs for which it received funding, were £659k hence there was a shortfall in the funding for the provision of central services of £165k; this has been financed by the University loan and accumulated Trust reserves.

Note

12 Related party transactions - Trustees' Remuneration and Expenses

The Chief Executive and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in relation to their role as Trustee. The value of individual Trustees' remuneration, including pension, was as follows:

Sue Samson (CEO and Trustee)

Remuneration £80,000 - £85,000 (2015: £85,000 - £90,000)

Employer's pension contributions Nil (2015: Nil)

Deamonn Hewett Dale (Trustee and member of staff)

Remuneration £95,000 - £100,000 (2015: £90,000 - £95,000)

Employer's pension contributions £13,963 (2015: £11,828)

Richard Edwards (Trustee and member of staff)

Remuneration £55,000 - £60,000 (2015: £55,000 - £60,000)

Employer's pension contributions £6,677 (2015: £6,173)

No expenses were reimbursed to Trustees. (2015: Nil)

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

Note

13 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance cover provides up to £2,000,000 cover on any one claim and in the aggregate in any one period of insurance. The cost for the period was £1,343 (2015: £1,343). The cost of this insurance is included in the total insurance cost.

University of Chichester (Multi) Academy Trust

**Note
14**

Tangible Fixed Assets

	Leasehold land and Buildings £'000s	Furniture and Equipment £'000s	Computer Equipment £'000s	Total £'000s
Cost				
At 1 September 2015	41,890	74	231	42,195
Transfer on conversion				
Additions	273	-	123	396
Disposals				
At 31 August 2016	42,163	74	354	42,590
Depreciation				
At 1 September 2015	1,785	22	61	1,868
Charged in period	1,338	18	66	1,422
Disposals				
At 31 August 2016	3,123	40	128	3,290
Net Book Value				
At 31 August 2015	40,105	52	170	40,327
At 31 August 2016	39,040	34	226	39,300

The Trust's investment in land and buildings included a weather proofing project to the main hall of Kingsham Primary School costing £200k and replacement of toilets at Mill Chase Academy costing £73k; both projects were funded from Condition Improvement Fund grants. The investment in computer equipment was for replacement promethean smartboards at Flying Bull Academy, costing £58k, and an investment in HR and payroll software at the central Trust of £65k.

University of Chichester (Multi) Academy Trust

Note

15 Debtors

	2016 £'000s	2015 £'000s
Trade debtors	16	48
VAT recoverable	337	756
Prepayments and accrued income	313	207
Sundry debtors	15	-
	<u>681</u>	<u>1,011</u>

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	TOTAL 2016 £	TOTAL 2015 £
Trade debtors	2	2	10	-	1	1	-	16	48
VAT recoverable	-	33	-	(1)	-	8	296	337	756
Prepayments	33	17	48	8	8	9	17	139	87
Accrued income	9	27	48	12	7	20	50	173	120
Sundry debtors	-	13	-	-	-	-	2	15	-
	<u>44</u>	<u>92</u>	<u>106</u>	<u>19</u>	<u>16</u>	<u>38</u>	<u>365</u>	<u>681</u>	<u>1,011</u>

University of Chichester (Multi) Academy Trust

Note

16 Creditors - amounts falling due within one year

	2016 £'000s	2015 £'000s
Loan from University of Chichester	50	50
Loan from WSCC for solar panels	3	3
Trade creditors	525	687
Taxation and social security	136	90
Pensions	56	73
Accruals and deferred income	685	181
Other creditors	6	8
Total creditors falling due within one year	1,460	1,092

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	TOTAL 2016 £	TOTAL 2015 £
Loan from University of Chichester	-	-	-	-	-	-	50	50	50
Loan from WSCC for solar panels	-	-	-	-	3	-	-	3	3
Trade creditors	97	87	127	12	12	11	180	525	687
Taxation and social security	10	46	-	10	-	-	69	136	90
Pensions	9	37	-	10	-	-	-	56	73
Accruals and deferred income	366	53	58	36	27	45	99	685	181
Other creditors	-	-	-	-	-	6	-	6	8
Total	481	222	185	68	42	62	399	1,460	1,092

The loan from the University represents re-charges of staff and other costs from the date of incorporation until the end of January 2015. The re-charges have been made at cost and stand at £512,475 at the end of the year. The Education Funding Agency has granted permission for this loan arrangement. Further details regarding the loan are made in Note 29.

University of Chichester (Multi) Academy Trust

Note

16 (cont.) Creditors - amounts falling due in greater than one year

	2016 £'000s	2015 £'000s
Loan from University of Chichester		
Within two to five years	391	283
Within five to seven years	71	229
Total	<u>462</u>	<u>512</u>
Loan from West Sussex County Council		
Within two to five years	10	10
Within five to seven years	3	3
Total	<u>13</u>	<u>13</u>
TOTAL	<u>475</u>	<u>525</u>

Deferred income

	2016 £'000s	2015 £'000s
Deferred income at 1 September 2015	42	165
Released from previous years	(42)	(123)
Resources deferred in the year	484	-
Deferred income at 31 August 2016	<u>484</u>	<u>42</u>

At the balance sheet date the multi academy trust was holding funds received in advance for the Frogmore Condition Improvement Fund capital project of £361,729 (£2015: NIL), Rates Relief income of £16,432 (2015: £12,459); Universal Free School Meals grant income of £67,682 (2015: 22,440); school trips monies received in advance of £17,875 (2015: 7,275) and LA funding of £20,000 (2015: Nil).

University of Chichester (Multi) Academy Trust

Note

17 Funds

	Balance at 1 Sept 2015 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2016 £'000s	Balance at 31 August 2015 £'000s
Restricted General Funds						
General Annual Grant	701	7,654	8,188	5	173	701
Other DFE/EFA grants	-	1,172	1,172	-	-	-
SEN funding	-	242	242	-	-	-
Provision of curriculum services to other schools	-	51	51	-	-	-
Student placements	-	2	2	-	-	-
Other income	-	428	428	-	-	-
Sundry	-	25	25	-	-	-
Investment income	-	6	6	-	-	-
Defined benefit pension scheme deficit	(1,044)	-	108	(1,166)	(2,318)	(1,044)
	(343)	9,580	10,221	(1,161)	(2,145)	(343)
Restricted Fixed Asset Funds						
Net book value of tangible fixed assets	40,267	-	1,422	456	39,300	40,267
DFE/EFA capital grants	188	269	-	(461)	(4)	188
	40,455	269	1,422	(5)	39,296	40,455
Total Restricted Funds	40,112	9,849	11,643	(1,166)	37,151	40,112
Unrestricted Funds						
Unrestricted Funds	12	192	36	-	169	12
Total Unrestricted Funds	12	192	36	-	169	12
Total Funds	40,124	10,041	11,679	(1,166)	37,320	40,124

University of Chichester (Multi) Academy Trust

Note

17 Funds

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

Restricted general funds include all grant income received from the EFA/DFE or Local Authority during the period. This fund is restricted to providing education at the academies within the multi academy trust. Under the funding agreement with the Secretary of State the multi academy trust is subject to a limit on the amount of General Annual Grant that it can carry forward at 31 August 2016 for Berewood Primary School.

Other DfE/EFA grants include Pupil Premium, Start up grants for Court Lane Infant and Junior Schools, Universal Infant Free School Meals income, Education Services Grant, rates reimbursement, insurance reimbursement and PE and Sports grant. All grants are restricted to the purpose for which they are given and have been spent in full during the year.

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

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

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

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

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

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

University of Chichester (Multi) Academy Trust

Note

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total Funds £'000s
Tangible fixed assets	-	4	39,296	39,300
Current assets	169	2,104	-	2,273
Current liabilities	-	(1,460)	-	(1,460)
Creditors: amounts falling due after one year	-	(475)	-	(475)
Pension scheme liability	-	(2,318)	-	(2,318)
Total net assets	169	(2,145)	39,296	37,320

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	TOTAL 2016 £'000s	TOTAL 2015 £'000s
Funds attributable to each academy:									
Unrestricted Funds	12	222	(83)	(13)	45	(18)	4	169	12
Restricted General Funds	(71)	347	(494)	104	(118)	-	(1,913)	(2,145)	(343)
Restricted Fixed Asset Funds	2,876	12,010	4,693	9,618	3,815	6,269	15	39,296	40,454
Total funds	2,817	12,578	4,116	9,709	3,742	6,252	(1,894)	37,320	40,124

The central trust has provided a team of experts to provide support to its academies in a wide number of areas. At the present time, with only six academies, there are very few economies of scale and the cost per school is high. As the trust expands it will benefit from economies of scale and will generate more income to offset these costs. Academies operating in-year deficits are working closely with the Trust central team in order to identify cost savings and/or additional income. No academies had deficits on Restricted General Funds before the LGPS pension deficits were included. The central Trust does have an overall deficit on Restricted General Funds and has no LGPS pension deficit.

Note

19 Capital Commitments

We have been awarded a capital grant under the Condition Improvement Fund bidding round for 2016-17 for Frogmore Junior School. The grant is intended to fund the recladding of the SCOLA blocks in the school to address non-compliant glazing and Health and Safety concerns with end of life external wall cladding components. The amount of grant awarded is £1,636,198. The project will be delivered by Hampshire County Council and will commence in January 2017. Contracts have not yet been issued but it is intended that the full grant will be expended by the end of December 2017.

Note

20 Financial Commitments

Operating leases

At 31 August 2016 the trust has annual commitments under non-cancellable operating leases as follows:

	2016 £'000s	2015 £'000s
Other		
Amounts due within one year	17	24
Amounts due within two and five years inclusive	35	18

Note 21 Reconciliation of net income to net cash flow from operating activities

	2016	2015
	£'000s	£'000s
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,638)	19,872
Adjusted for:		
Transfer of land and buildings from Local Authority on conversion	-	(20,725)
Transfer of pension liability on conversion	-	264
Depreciation	1,422	1,363
Capital grants from EFA and other capital income	(269)	(126)
Interest receivable	(6)	(2)
Defined benefit pension scheme cost less contributions payable (Note 28)	73	(35)
Defined benefit pension scheme finance cost (Note 28)	35	106
Decrease/(increase) in debtors	331	(627)
Increase/(decrease) in creditors	368	(88)
Net cash used in Operating Activities	<u>316</u>	<u>2</u>
22 Cash flows from financing activities		
Repayments of borrowing:		
Loan from University of Chichester	(50)	(50)
	<u>(50)</u>	<u>(50)</u>
23 Cash flows from investing activities		
Interest received	6	2
Purchase of tangible fixed assets	(396)	(252)
Capital grants from DfE/EFA	269	126
Net cash provided by investing activities	<u>(121)</u>	<u>(124)</u>
24 Analysis of cash and cash equivalents		
Cash in hand and at bank	67	697
Notice deposits (less than three months)	1,525	750
	<u>1,592</u>	<u>1,447</u>
25 Guarantees, Letters of comfort and Indemnities		
No guarantees, letters of comfort or indemnities were provided during the year.		
26 Contingent Liabilities		
There were no contingent liabilities.		
27 Members' Liability		
Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.		

Note
28 Pension and similar obligations

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

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. The latest actuarial valuation related to the period ended 31 March 2013.

Contributions amounting to £60,430 (€2015: £52,919) were payable to TPS at 31 August 2016. Contributions amounting to £23,209 (2015: £20,451) were payable to LGPS at 31 August 2016.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with 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 the subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- Total scheme liabilities for service to the effective date of £191,500 million and notional assets of £176,600 million giving a notional past service deficit of £14,900 million, and:
- An employer cost cap of 10.9% of pensionable pay will be applied to future variations.
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from April 2019.

The pension costs paid to TPS in the period amounted to £568,233

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

Under the definitions set out in the Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available in the scheme.

Note

28

Pension and similar obligations
Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £418,381 (2015: £356,945) of which employer's contributions totalled £323,713 (2015: £274,415) and employees' contributions totalled £94,668 (2015: £82,530). The agreed contribution rates for future years are 24.7% for the employer and between 5.5% and 12.5% for employees depending on pensionable pay.

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

Four of the trust's academies hold their schemes with Hampshire County Council, Frogmore, Mill Chase, Flying Bull and Berewood; all are in deficit. It has been agreed that each academy will make additional contributions as follows in addition to normal funding levels:

Frogmore Junior School £7,750 per annum
 Mill Chase Academy £27,858 per annum
 Flying Bull Academy £30,583 per annum

Fernhurst and Kingsham hold their schemes with West Sussex County Council. The scheme actuary has stated that there are no additional contributions due for Fernhurst and Kingsham Primary Schools.

Principal Actuarial Assumptions - Hampshire County Council

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment/inflation	2.0%	2.0%
Discount rate for scheme liabilities	2.0%	3.8%
Inflation assumption (CPI)	2.0%	2.0%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	24.6	24.5
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	26.7	26.6
Females	28.7	28.6

University of Chichester (Multi) Academy Trust

Note

28

Pension and similar obligations

The share of assets and liabilities for each of our academies in the Hampshire County Council scheme were:

Frogmore Junior School

	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Equities	108	75
Property	14	10
Government bonds	50	35
Corporate bonds	3	2
Cash	10	7
Other	5	3
Total market value of assets	190	133
Present value of scheme liabilities - Funded	(307)	(179)
Deficit in the scheme	(117)	(46)

Mill Chase Academy

	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Equities	548	416
Property	72	54
Government bonds	254	193
Corporate bonds	17	13
Cash	50	38
Other	25	19
Total market value of assets	966	733
Present value of scheme liabilities - Funded	(1,786)	(1,113)
Deficit in the scheme	(820)	(380)

Flying Bull Academy

	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Equities	531	374
Property	69	49
Government bonds	246	174
Corporate bonds	17	12
Cash	49	34
Other	24	17
Total market value of assets	936	660
Present value of scheme liabilities - Funded	(1,760)	(981)
Deficit in the scheme	(824)	(321)

Note

28 Pension and similar obligations

	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Berewood Primary School		
Equities	37	10
Property	5	1
Government bonds	17	4
Corporate bonds	1	-
Cash	3	1
Other	2	-
Total market value of assets	65	16
Present value of scheme liabilities - Funded	(119)	(22)
Deficit in the scheme	(54)	(6)

A building block approach is used to determine the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out with this note.

The actual return on scheme assets was:

Frogmore Junior School £30,000
 Mill Chase Academy £157,000
 Flying Bull Academy £147,000
 Berewood Primary School £7,000

Amounts recognised in the statement of financial activities

	2016				2015			
	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s
Current service cost (net of employee contributions)	24	95	137	33	21	93	131	18
Past service cost	-	2	-	-	-	-	-	-
Total operating charge	24	97	137	33	21	93	131	18
Analysis of pension finance income/(costs)								
Interest on pension liabilities	1	13	10	NIL	(5)	(40)	(33)	NIL
Pension finance income/(costs)	1	13	10	NIL	(5)	(40)	(33)	NIL

University of Chichester (Multi) Academy Trust

Note
28 Pension and similar obligations

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

	2016				2015			
	Frogmore Junior School	Mill Chase Academy	Flying Bull Academy	Berewood Primary School	Frogmore Junior School	Mill Chase Academy	Flying Bull Academy	Berewood Primary School
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 September	(179)	(1113)	(981)	(22)	(154)	(1020)	(819)	NIL
Current service cost	(24)	(95)	(137)	(33)	(21)	(93)	(131)	(18)
Interest cost	(7)	(42)	(38)	(1)	(5)	(40)	(33)	NIL
Employee contributions	(6)	(23)	(34)	(9)	(6)	(22)	(32)	(5)
Actuarial gain	(92)	(534)	(584)	(44)	7	44	42	1
Benefits paid out	1	23	14	(10)		23	28	
Past service cost	-	(2)	-	-		(5)	(36)	
Closing present value	(307)	(1,786)	(1,760)	(119)	(179)	(1113)	(981)	(22)

Movements in the fair value of academy's share of scheme assets were as follows:

	2016				2015			
	Frogmore Junior School	Mill Chase Academy	Flying Bull Academy	Berewood Primary School	Frogmore Junior School	Mill Chase Academy	Flying Bull Academy	Berewood Primary School
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 September	133	733	660	17	103	632	497	NIL
Interest income on assets	6	29	28	1	7	39	33	
Remeasurement gains on assets	24	128	119	6	(3)	(13)	(12)	
Employer contributions	23	77	110	22	20	76	138	12
Employee contributions	6	23	34	9	6	22	32	5
Benefits paid out	(1)	(23)	(14)	(10)		(23)	(28)	
Closing fair value	191	967	937	65	133	733	660	17

University of Chichester (Multi) Academy Trust

Note

28

Pension and similar obligations

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

	2016				2015			
	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s
Present value of defined benefit obligations	(307)	(1786)	(1760)	(119)	(179)	(1113)	(981)	(22)
Fair value of share of scheme assets	191	967	937	65	133	733	660	17
Deficit in the scheme	(116)	(819)	(823)	(54)	(46)	(380)	(321)	(5)
Experience adjustments on share of scheme assets (£'000s)	24	128	119	6	(3)	(13)	(12)	
Experience adjustments on share of scheme liabilities (£'000s)	-	-	-	1	-	-	-	1
Principal Actuarial Assumptions - West Sussex County Council								
	At 31 August 2016		At 31 August 2015					
Rate of increase in salaries	3.6%		4.0%					
Rate of increase for pensions in payment/inflation	2.1%		2.6%					
Discount rate for scheme liabilities	2.0%		3.7%					

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	24.4	24.4
Females	25.8	25.8
<i>Retiring in 20 years</i>		
Males	26.9	26.9
Females	28.5	28.5

University of Chichester (Multi) Academy Trust

Note

28 Pension and similar obligations

The share of assets and liabilities for each of our academies in the West Sussex County Council scheme were:

	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Fernhurst Primary School		
Equities	216	149
Property	47	33
Bonds	24	16
Cash	9	6
Total market value of assets	296	204
Present value of scheme liabilities - Funded	(498)	(316)
Deficit in the scheme	(202)	(112)
	Fair value at 31 August 2016 £'000s	Fair value at 31 August 2015 £'000s
Kingsham Primary School		
Equities	381	262
Property	84	57
Bonds	42	29
Cash	16	11
Total market value of assets	522	359
Present value of scheme liabilities - Funded	(826)	(539)
Deficit in the scheme	(304)	(180)

A building block approach is used to determine the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out with this note.

The actual return on scheme assets was:

Fernhurst Primary School £5k

Kingsham Primary School £(6k)

Amounts recognised in the statement of financial activities

	2016		2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
Current service cost (net of employee contributions)	56	66	32	54
Past service cost	-	-	-	-
Total operating charge	56	66	32	54
Analysis of pension finance income/(costs)				
Expected return on pension scheme assets	(6)	-	(10)	(18)
Interest on pension liabilities	11	(6)	(10)	(18)
Pension finance income/(costs)	5	(6)	(10)	(18)

University of Chichester (Multi) Academy Trust

Note

28

Pension and similar obligations

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

	2016		2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
At 1 September	(316)	(539)	(264)	(451)
Current service cost	(41)	(66)	(32)	(54)
Interest cost	(13)	(21)	(10)	(18)
Employee contributions	(8)	(14)	(6)	(12)
Actuarial gain	(120)	(186)	(4)	(4)
Benefits paid out	-	-	-	-
Past service cost	-	-	-	-
Closing present value	(498)	(826)	(316)	(539)

Movements in the fair value of academy's share of scheme assets were as follows:

	2016		2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
At 1 September	204	359	165	286
Interest income on assets	8	15	10	18
Actuarial loss	43	74	(2)	(4)
Employer contributions	33	60	25	47
Employee contributions	8	14	6	12
Benefits paid out	-	-	-	-
Closing fair value	296	522	204	359

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

	2016		2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
Present value of defined benefit obligations	(498)	(826)	(316)	(539)
Fair value of share of scheme assets	296	522	204	359
Deficit in the scheme	(202)	(304)	(112)	(180)

Experience adjustments on share of scheme assets (£'000s)	43	74	(2)	(4)
---	----	----	-----	-----

Experience adjustments on share of scheme liabilities (£'000s)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FR517 is -£1,324,000

Note

29 Related Party Transactions

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

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

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

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

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

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

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

Service	Direct costs £
Seconded staff	506,196
School improvement services from Institute of Education	35,835
IT services – included in seconded staff cost	Nil
Marketing and Communications – included in seconded staff cost and some additional direct costs	11,709
Estates – included in seconded staff cost	Nil
Health and safety – included in seconded staff cost	Nil
Total	553,740

Note
29 Related party Transactions (cont.)

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

Mill Chase £870
 Flying Bull £945
 Kingsham £3,174
 Fernhurst £2,079
 Berewood £135

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

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

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

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

30 Events after the balance sheet date

There were no events after the balance sheet date requiring disclosure.

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

No academies joined the academy trust during the financial year.

32 First Time Adoption of FRS102

This is the first year that the University of Chichester Academy Trust has presented its financial statements under SORP2015 and FRS102. The following disclosures are required in the year of transition. The last financial statements prepared under previous GAAP were for the year ended 31 August 2015 and the date of transition to SORP 2015 and FRS102 was therefore 1 September 2014. As a consequence of adopting FRS102 and SORP 2015, a number of accounting policies have changed to comply with these standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS102 permitted by FRS102 chapter 35 "Transition to this FRS".

Reconciliations and descriptions of the effect of transition to FRS102 and SORP 2015 on total funds and net income/expenditure for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Note**32 (cont.)****Reconciliation of total funds**

	1 September 2014	31 August 2015
Total funds under previous UK GAAP	20,200	40,124
Total funds reported under FRS102	20,200	40,124

Reconciliation of net income

Net income previously reported under UK GAAP	19,872
Net income reported under FRS102	19,831
	<u>41</u>

Explanation of changes to previously reported funds and net income/expenditure

Change in recognition of LGPS net interest cost:

Under the previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest expense, based on the defined liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenditure by £41,000 and increase the debit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.