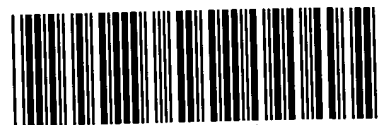


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Registered number: 09201845

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

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DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

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DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS**
FOR THE PERIOD ENDED 31 AUGUST 2015

Trustees

Revd Canon Dr Anthony Cane, Chair (appointed 3 September 2014)
Mrs Hilary Loder (appointed 3 September 2014)
Revd Martin Harper (appointed 3 September 2014)
Revd Michael Coe (appointed 3 September 2014)
Canon Dr Ann Holt OBE (appointed 3 September 2014)
Mrs Kate Sims (appointed 3 September 2014)
Revd Timothy Ward (appointed 12 May 2015)
Dr Graham Parr (appointed 12 May 2015)
Mrs Sarah Phillips (appointed 3 September 2014, resigned 31 March 2015)

Company registered number

09201845

Principal and registered office

Church House, 211 New Church Road, Hove, BN3 4ED

Company secretary

Mrs Jill Scarfield

Chief executive officer

Mr Martin Lloyd

Independent auditors

haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

Bankers

Lloyds Bank, PO Box 1000, BX1 1LT

Solicitors

Winkworth Sherwood, Minerva House, Montague Close, London, SE1 9BB

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of Diocese of Chichester Academy Trust (the academy trust) for the period ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the academy trust comply with the current statutory requirements, the requirements of the academy trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Diocese of Chichester Academy Trust was incorporated on 3rd September 2014. All Saints CoE Junior Academy in Hastings was the first academy within the Trust on 1st February 2015 and was joined by St. Leonards CoE Junior Academy in St. Leonards-on-Sea on 1st April 2015.

The trust's academies have a combined pupil capacity of 660 and had a roll of 621 in the school census on May 2015.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and was set up by a Memorandum of Association on 3 September 2014.

The academy trust is constituted under a Memorandum of Association dated 3 September 2014.

The trustees of the DCAT are also the directors of the Company for the purposes of company law. Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Diocese of Chichester Education Trust (DOCET) approves the appointment of directors to the Diocese of Chichester Academy Trust. Trustees are appointed taking account of the skills and expertise required to provide strategic direction for the trust and to ensure that the trust satisfies the statutory obligations as set out in the Academies Financial Handbook, which is published by the Education Funding Agency.

d. Policies and procedures adopted for the induction and training of Trustees

All trustees are provided with statutory information, policies and procedures, agendas and minutes and financial reports to enable them to undertake their role as a trustee and have been involved in all aspects of the Board's activity as it develops. Trustees are invited to attend training courses run by third parties that may support their development and a workshop was held for all board members in July 2015 to review the development of the trust in conjunction with the National Society of the Church of England Academy Advisor.

Induction and training is being developed as part of the trust's development planning. The trust is putting in place governor training arrangements, including access to on-line resources, for governors of local governing bodies.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

e. Organisational structure

The organisational structure of the trust consists of the:

- Board of Directors (currently eight directors)
- Local Governing Body for each academy
- Audit and Resources Sub-Committee (met in July 2015 as a Finance Sub-Committee to approve budgets for the trust for 2015/16).
- The trust meets on a monthly basis to consider a wide range of issues concerned with the strategic direction and operations of the MAT.

The trust has agreed schemes of delegation for each of its academies that explain the ways in which the directors will fulfil their responsibilities for the leadership and management of the academy, the respective roles and responsibilities of the directors and the members of the local governing body and the commitments to each other to ensure the success of the academy.

The local governing bodies and academies operate within the limits stipulated in the schemes of delegation, which require budgets, pay review decisions and leadership post appointments to be approved by the trustees. Local governing bodies meet at least 6 times each year.

The directors are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

Day to day management is delegated to the Headteacher, Executive Principal and Senior Leadership Teams in each academy. They are supported by the central MAT team which consists of an Interim Chief Executive (0.8fte) who is the Assistant Diocesan Director of Education and the statutory Accounting Officer for the trust and a Head of Finance and Operations, who is the statutory Responsible Officer, as at 31st August 2015. A finance consultant employed on a part time, contractual basis provides additional finance and systems support.

Headteachers and Business Managers within the academies work closely with the central MAT officers.

f. Connected organisations, including related party relationships

The Diocese of Chichester Education Trust (DOCET) is the umbrella organisation under which the Diocese of Chichester Academy Trust operates. As the academies are Church of England schools, designated as such, the Directors are also accountable to the Chichester Diocesan Board of Education (the "DBE") and the Bishop of Chichester (the "Bishop") to ensure that the academies are conducted as Church of England schools

The Members of DOCET agree the appointment of trustees to the board of the academy trust. DOCET has four members, including the current chairman of the academy trust board to ensure good communication between the two boards. The Chairman of the Diocesan Board of Finance is also a trustee of DOCET.

There is a relationship with the Diocesan Board of Finance which has provided a financial contribution to the academy trust.

The Diocese of Chichester Academy Trust is a sponsor organisation, as approved by the Department for Education. Both academies in the Trust have been sponsored by the trust to convert to academies to address the issues of underperformance inherent prior to conversion.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

g. Risk management

The Trustees have assessed the major risks to which the academy trust is exposed, in particular those related to the operations and finances of the academy trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. Objects and aims

The academy trust's mission is as follows:

- To provide every child with the best education possible, inspirational, fully rounded and rooted in our Christian values.
- We want every lesson to be good or better and for every child to enjoy school life and make good academic progress.
- Our academies will be welcoming to all and will serve equally those who are of the Christian faith, those of other faiths and those with no faith.
- We want to link local academies to maintain improvement and share economies to maximise resources and teaching in classrooms – to enable all pupils and staff to develop and achieve to their full potential.
- We are part of the family of 158 diocese church schools and have positive partnerships with others.

b. Objectives, strategies and activities

The objectives during the first year have been to establish the trust as a fully functioning multi academy trust and limited company in line with statutory requirements and Department for Education best practice, to support the conversion and establishment of the first two schools as academies, and to pursue opportunities for further conversions.

The trust has concentrated on developing its operation of the business at the centre, establishing the Board, appointing directors and key staff, and installing appropriate policies and operational systems both at the centre and in the new academies. It has established processes to support and develop headteachers and business managers to enable the schools to become successful academies.

c. Public benefit

In setting our objectives and planning our activities over the past year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees are satisfied that due regard has been given to the public benefit guidance published by the Charity Commission, as required by Section 17 of the Charities Act 2011.

The academy trust continues the historic foundation of the schools and their religious designation as Church of England schools.

The directors and the local governing bodies recognise their responsibility towards the common good, not just of the academies for whom the company is responsible, but of all the Church and other schools in their area and all of the families and communities in the areas served by the academies.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

The setting of KPIs is an action for 2015/16.

c. Review of activities

All Saints CoE Junior Academy converted on 1st February 2015. The school had a year 6 cohort of 60 pupils with a higher than average number of disadvantaged and SEN pupils. Its results in July 2015 demonstrated the combined reading, writing and maths (R/W/M) figure had risen from 69% to 81.9%, with a high number of level 5s, which was above average for Year 6. In 2014, there was a 30% gap between Pupil Premium Grant and non-Pupil Premium Grant pupils in combined reading, writing and maths which has been narrowed in 2015 to a 6% gap. Seventy five percent of Pupil Premium Grant pupils achieved L4+ in reading, writing and maths compared to 81% of non-Pupil Premium Grant pupils.

Whilst the academy results for 2015 were slightly below the national average for the percentage of pupils achieving level 4 or above for reading, the results for maths, writing and combined R/W/M were all above the national average.

St.Leonards CoE Primary Academy converted on 1st April 2015. The acting headteacher was appointed on a permanent basis for the start of the summer term and a deputy headteacher recruited for the new academic year starting in September 2015. School performance at the end of the 2014/15 academic year demonstrated an upward trend in Early Years Foundation Stage data over the previous 3 years. In that period, the gap between Pupil Premium Grant and non-Pupil Premium Grant pupils decreased to 1.7%.

Key stage 1 data also showed an upward trend over the previous 2 years. Key stage 2 results showed an increase in maths but reading and writing were slightly below the previous year. This is in part due to significant mobility within the year group: when those children are removed from the data, the results are in line with national averages.

Financial review

a. Financial and risk management objectives and policies

A Finance Policy, Competitive Tendering Policy, Conflict of Interest and Related Party Transaction Policy and Directors' Expenses Policy have been approved by the Board and are subject to annual review. These policies are supplemented by a suite of operational policies at individual academy level. The Trust has identified further Trust-wide policies within its Development Plan that it will draft for Board approval, alongside a planned review of the operational academy policies to ensure they are consistent and current. In conjunction with the risk register described below, the policies provide a framework for financial and risk management.

The budgets are prepared on an annual basis by academies for approval by the Audit and Resources Committee, which met as a Finance Committee in July 2014 for this purpose. Management accounts and cashflow forecasts are regularly produced with a narrative report on finance and operational issues for board meetings.

DIOCESE OF CHICHESTER ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

b. Principal risks and uncertainties

A risk register has been established which identifies risks to the Trust and actions to mitigate the risks. The Board has established an Audit and Resources Committee with terms of reference which include reviewing the risk register at least three times per year and making recommendations as necessary to the board on changes that may be required. In addition, the Board itself will conduct an annual review of the risk register. The risk register identifies that, as a new business with only two academies and a small staff, the greatest risks to the Trust lie in its finances and operational capacity.

c. Reserves policy

In its first year, the trust has not been in a position to build reserves. It receives financial backing from the diocese to support its operations until it grows to a point where it can become self-sufficient and it has used the grants provided by the EFA to establish the capacity at the centre of the Trust, support the conversion process of academies and make improvements in their environment and performance.

d. Financial review

During the period to 31 August 2015, total incoming resources were £1.9m, of which £1.7m represented funding received from the DfE/EFA.

Total expenditure of £1.7m comprised staff costs of £951k, premises costs of £79k and other costs to operate the schools and run the multi-academy trust of £670k.

The DCAT generated a surplus of £260k before actuarial losses of £120k relating to the Local Government Pension Scheme.

The funds as at 31 August 2015 comprised unrestricted funds of £62k, restricted income funds of £358k, restricted fixed asset funds of £19k and the pension deficit of £299k.

e. Material investments policy

The Board is committed to ensuring that all funds under its control are administered in a way that promotes best practice, good stewardship and minimises risk. At present its funds are limited, although cash flow variations mean that it may be temporarily holding balances that are subject to transfer either to the academies within the Trust or pending decisions on future conversions. Consequently, the Trust does not currently consider the investment of surplus funds as a primary activity.

Plans for future periods

a. Future developments

The Trust is actively pursuing opportunities to expand, including attracting good schools, both primary and secondary, which it plans to achieve within the next year. Achieving the admission of additional schools is vital to securing financial stability and health for the trust for future years.

DIOCESE OF CHICHESTER ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Disclosure of information to auditors

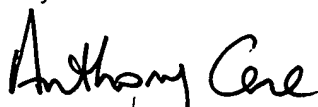
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, haysmacintyre, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees on 9 December 2015 and signed on the board's behalf by:



Revd Canon Dr Anthony Cane
Chair of Trustees

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Diocese 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 in accordance with the requirements and responsibilities assigned to it in the funding agreement between Diocese of Chichester Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 9 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Revd Canon Dr Anthony Cane, Chair	8	9
Mrs Hilary Loder	9	9
Revd Martin Harper	9	9
Revd Michael Coe	8	9
Canon Dr Ann Holt OBE	8	9
Mrs Kate Sims	8	9
Revd Timothy Ward	2	3
Dr Graham Parr	3	3
Mrs Sarah Phillips	5	5

Governance reviews:

During 2015/16 the DCAT will conduct its first formal self-evaluation of governance. It will then consider whether an external review is required.

As an interim step, in June 2015, the board undertook a self-assessment of governance and development, facilitated by the National Society's Academy Advisor, to help the Trust assess its performance and progress. The National Society review concluded that, in line with other Diocesan Academy Trusts nationally, DCAT wish to take on more academies with the intention of having a positive impact on life chances/opportunities for the children and young people within those academies, offering them effective education with a distinctively Christian ethos. The review was undertaken to offer guidance around those areas of development that are now required in order for DCAT to make this a reality.

The National Society's Academy Advisor assessed the trust's performance as follows:

"There has been a lot of practical support given to the two schools that are in DCAT, to embed the new finance and operational systems and practices. The DCAT is developing some sound processes and policies which have enabled them to be both agile and proactive in regards to supporting school improvement activity.

There is a desire within the trust to grow and they will need to evidence they are financially sustainable, educationally credible, have operational capacity and can provide sound governance at both Trust and local governing board level to be allowed by DfE to have further schools in the MAT."

The review identified five key priority areas to drive the next stage of the trust's development. During the course of this year the Trustees together with Senior Management will review these priorities, create and start to implement an action plan.

DIOCESE OF CHICHESTER ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to approve the budget for the Trust for 2015/16.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Revd Canon Dr Anthony Cane	1	1
Mrs Hilary Loder	1	1
Revd Timothy Ward	1	1

The Audit and Resources Committee is also a sub-committee of the main board of trustees, which has been established after the balance sheet date. Its purpose is to maintain an oversight of the academy trust's finance, governance, risk management, internal control and value for money framework, MAT central staffing and operational matters. It will report its findings annually to the Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

The Local Governing Bodies have delegated responsibilities on behalf of the Trust Board. They are responsible for the regular review of the financial and operating performance of the relevant academies and making recommendations to the Trust Board, as appropriate.

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 educational 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 of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by establishing proper policies and procedures, including competitive tendering in procurement.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Chichester Academy Trust for the period 3 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 3 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

DIOCESE OF CHICHESTER ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed haysmacintyre, the external auditors, to perform additional checks.

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

On an annual basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


Review of Effectiveness

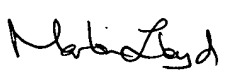
As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf, by:


Revd Canon Dr Anthony Cane
Chair of Trustees


Mr Martin Lloyd
Accounting Officer

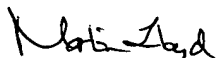
DIOCESE OF CHICHESTER ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Diocese 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 (2014).

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 (2014).

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.



Mr Martin Lloyd
Accounting Officer

Date: 9 December 2015

DIOCESE OF CHICHESTER ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who act as governors of Diocese of Chichester Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued 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:

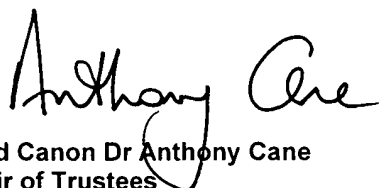
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf by:



Revd Canon Dr Anthony Cane
Chair of Trustees

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST

We have audited the financial statements of Diocese of Chichester Academy Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 Trustees' Responsibilities Statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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


DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Samantha Coutinho (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

26 Red Lion Square

London

WC1R 4AG

9 December 2015

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIOCESE OF CHICHESTER ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Chichester Academy Trust during the period 3 September 2014 to 31 August 2015 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 Diocese of Chichester Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Chichester 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 Diocese of Chichester Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese of Chichester Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Diocese of Chichester Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2015, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 3 September 2014 to 31 August 2015 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 2014 to 2015 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.

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.

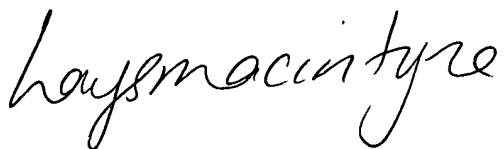
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIOCESE OF CHICHESTER ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 3 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

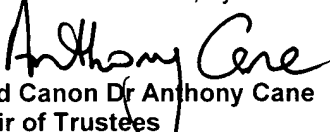
9 December 2015

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09201845

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	2015 £	£
FIXED ASSETS			
Tangible assets	18		19,236
CURRENT ASSETS			
Debtors	19	219,798	
Cash at bank		611,402	
		<u>831,200</u>	
CREDITORS: amounts falling due within one year	20	<u>(411,644)</u>	
NET CURRENT ASSETS			<u>419,556</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>438,792</u>
Defined benefit pension scheme liability	27		<u>(299,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>139,792</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	21	357,909	
Restricted fixed asset funds	21	19,236	
		<u>377,145</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(299,000)</u>	
Total restricted funds			<u>78,145</u>
Unrestricted funds	21		<u>61,647</u>
TOTAL FUNDS			<u><u>139,792</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:


Revd Canon Dr Anthony Cane
Chair of Trustees

The notes on pages 20 to 37 form part of these financial statements.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	55,548	1,800	-	57,348
Activities for generating funds	3	17,143	-	-	17,143
Investment income	4	64	-	-	64
Incoming resources from charitable activities	5	-	1,718,348	-	1,718,348
Other incoming resources	6	90,708	54,909	-	145,617
TOTAL INCOMING RESOURCES		163,463	1,775,057	-	1,938,520
RESOURCES EXPENDED					
Charitable activities		101,717	1,398,912	-	1,500,629
Governance costs	7	99	12,000	-	12,099
Other resources expended	8	-	166,000	-	166,000
TOTAL RESOURCES EXPENDED	11	101,816	1,576,912	-	1,678,728
NET INCOMING RESOURCES BEFORE TRANSFERS		61,647	198,145	-	259,792
Transfers between Funds	21	-	(19,236)	19,236	-
NET INCOME FOR THE PERIOD		61,647	178,909	19,236	259,792
Actuarial gains and losses on defined benefit pension schemes		-	(120,000)	-	(120,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		61,647	58,909	19,236	139,792
Total funds at 3 September 2014		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		61,647	58,909	19,236	139,792

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

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 20 to 37 form part of these financial statements.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	2015 £
Net cash flow from operating activities	23	630,574
Returns on investments and servicing of finance	24	64
Capital expenditure and financial investment	24	(19,236)
INCREASE IN CASH IN THE PERIOD		611,402

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015

	2015 £
Increase in cash in the period	611,402
MOVEMENT IN NET FUNDS IN THE PERIOD	611,402
NET FUNDS AT 31 AUGUST 2015	611,402

The notes on pages 20 to 37 form part of these financial statements.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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 is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the academy trust's educational operations.

Governance costs include the costs attributable to the academy trust'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.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Turnover

Turnover comprises revenue recognised by the academy trust in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

1.7 Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Electronic equipment	- 10% on cost
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DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 Pensions

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from state maintained schools to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Diocese of Chichester Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations	548	1,800	2,348
Diocese support grant	55,000	-	55,000
	<hr/>	<hr/>	<hr/>
Voluntary income	55,548	1,800	57,348
	<hr/>	<hr/>	<hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Charity trading income			
Other income	17,143	-	17,143
	<hr/>	<hr/>	<hr/>
Net income from activities for generating funds	17,143	-	17,143
	<hr/>	<hr/>	<hr/>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Bank interest	64	-	64
	<hr/>	<hr/>	<hr/>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Educational operations	-	1,718,348	1,718,348
	<hr/>	<hr/>	<hr/>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General annual grant	-	1,143,485	1,143,485
Capital grants	-	9,469	9,469
Other DfE/EFA grants	-	556,996	556,996
Local authority grants	-	8,398	8,398
	<u>-</u>	<u>1,718,348</u>	<u>1,718,348</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Assets inherited on conversion	90,708	54,909	145,617
	<u>90,708</u>	<u>54,909</u>	<u>145,617</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	-	12,000	12,000
Trustees' expenses reimbursed	99	-	99
	<u>99</u>	<u>12,000</u>	<u>12,099</u>

8. OTHER RESOURCES EXPENDED

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Pension scheme deficit inherited on conversion	-	166,000	166,000
	<u>-</u>	<u>166,000</u>	<u>166,000</u>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

9. DIRECT COSTS

	Direct costs - Educational operations £	Total 2015 £
Pension scheme net finance cost (Note 27)	5,000	5,000
Educational supplies	137,515	137,515
Educational consultancy	45,353	45,353
Wages and salaries	574,585	574,585
National insurance	42,005	42,005
Pension cost	100,296	100,296
	<u>904,754</u>	<u>904,754</u>

10. SUPPORT COSTS

	Direct costs - Educational operations £	Total 2015 £
Technology costs	61,201	61,201
Maintenance of premises and equipment	56,860	56,860
Cleaning	9,171	9,171
Rent and rates	1,651	1,651
Energy costs	11,256	11,256
Insurance	15,898	15,898
Security and transport	11,742	11,742
Catering	42,265	42,265
Bank interest and charges	204	204
Other support costs	15,151	15,151
Legal and professional fees	136,442	136,442
Wages and salaries	188,429	188,429
National insurance	4,645	4,645
Pension cost	40,960	40,960
	<u>595,875</u>	<u>595,875</u>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

11. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total
	2015	Premises	Other costs	2015
	£	2015	2015	£
		£	£	
Direct costs - Educational operations	716,886	-	187,868	904,754
Support costs - Educational operations	234,034	78,938	282,903	595,875
Charitable activities	950,920	78,938	470,771	1,500,629
Governance	-	-	12,099	12,099
Other resources expended	-	-	166,000	166,000
	950,920	78,938	648,870	1,678,728

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total
	2015	2015	2015
	£	£	£
Educational operations	904,754	595,875	1,500,629

13. NET INCOMING RESOURCES

This is stated after charging:

	2015
	£
Auditors' remuneration	12,000

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

14. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £
Wages and salaries	763,014
Social security costs	46,650
Other pension costs (Note 27)	141,256
	<hr/>
	950,920
	<hr/>

b. Staff numbers

The average number of persons employed by the academy trust during the period expressed as full time equivalents was as follows:

	2015 No.
Teaching staff	26
Teaching support	21
Support staff	15
	<hr/>
	62
	<hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

15. CENTRAL SERVICES

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

- educational improvement;
- administrative support;
- finance;
- governance; and,
- statutory compliance.

The academy trust charges for these services on the following basis:

5% of General Annual Grant.

The actual amounts charged during the year were as follows:

	2015 £
All Saints	25,820
St Leonard's	30,684
	<hr/>
Total	56,504
	<hr/>

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5million on any one claim and the cost for the period ended 31 August 2015 was £7,222. The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2015 £
Expected return on pension scheme assets	10,000
Interest on pension scheme liabilities	(15,000)
	<hr/>
	(5,000)
	<hr/>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

18. TANGIBLE FIXED ASSETS

	Electronic equipment £
Cost	
At 3 September 2014	-
Additions	19,236
	<hr/>
At 31 August 2015	19,236
	<hr/>
Depreciation	
At 3 September 2014 and 31 August 2015	-
	<hr/>
Net book value	
At 31 August 2015	19,236
	<hr/> <hr/>

19. DEBTORS

	2015 £
Trade debtors	1,848
Prepayments and accrued income	124,458
Tax recoverable	93,492
	<hr/>
	219,798
	<hr/> <hr/>

20. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	155,910
Other taxation and social security	27,416
Other creditors	187,598
Accruals and deferred income	40,720
	<hr/>
	411,644
	<hr/> <hr/>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	163,463	(101,816)	-	-	61,647
Restricted funds						
General Annual Grant	-	1,143,485	(1,038,917)	-	-	104,568
Other DfE/EFA grants	-	611,357	(350,049)	(19,236)	-	242,072
Local authority grants	-	8,398	(8,398)	-	-	-
Other restricted funds	-	2,348	(548)	-	-	1,800
DFC capital funds	-	9,469	-	-	-	9,469
Pension reserve	-	-	(179,000)	-	(120,000)	(299,000)
	-	1,775,057	(1,576,912)	(19,236)	(120,000)	58,909
Restricted fixed asset funds						
Restricted Fixed Asset Fund	-	-	-	19,236	-	19,236
Total restricted funds	-	1,775,057	(1,576,912)	-	(120,000)	78,145
Total of funds	-	1,938,520	(1,678,728)	-	(120,000)	139,792

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

General Annual Grant - to be used for funding the school operating costs.

Other DfE/EFA grants - to be used for funding the school operating costs.

Local authority grants - to be used towards the costs of providing special educational needs.

DFC capital funds - to be used to purchase tangible fixed assets.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

All Saints	131,001
St Leonard's	158,553
Central	130,001
	<hr/>
Total before fixed asset fund and pension reserve	419,555
Restricted fixed asset fund	19,236
Pension reserve	(299,000)
	<hr/>
Total	139,791
	<hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
All Saints	428,499	73,133	99,058	600,690
St Leonard's	495,177	60,574	172,599	728,350
	<hr/>	<hr/>	<hr/>	<hr/>
	923,676	133,707	271,657	1,329,040
	<hr/>	<hr/>	<hr/>	<hr/>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	163,463	(101,816)	-	-	61,647
Restricted funds	-	1,775,057	(1,576,912)	(19,236)	(120,000)	58,909
Restricted fixed asset funds	-	-	-	19,236	-	19,236
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,938,520	(1,678,728)	-	(120,000)	139,792
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DIOCESE OF CHICHESTER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	19,236	19,236
Current assets	61,647	769,553	-	831,200
Creditors due within one year	-	(411,644)	-	(411,644)
Defined benefit pension scheme liability	-	(299,000)	-	(299,000)
	<u>61,647</u>	<u>58,909</u>	<u>19,236</u>	<u>139,792</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	259,792
Returns on investments and servicing of finance	(64)
Increase in debtors	(219,798)
Increase in creditors	411,644
FRS 17 adjustments	179,000
Net cash inflow from operations	<u><u>630,574</u></u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £
Returns on investments and servicing of finance	
Interest received	64
	<u><u>64</u></u>
	2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(19,236)
	<u><u>(19,236)</u></u>

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25. ANALYSIS OF CHANGES IN NET FUNDS

	3 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	611,402	-	611,402
Net funds	-	611,402	-	611,402

26. CONVERSION TO AN ACADEMY TRUST

On 1 February 2015 All Saints Church of England Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust from East Sussex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	63,967	46,446	-	110,413
LGPS pension surplus/(deficit)	-	(87,000)	-	(87,000)
Net assets/(liabilities)	63,967	(40,554)	-	23,413

The above net assets include £110,413 that was transferred as cash.

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On 1 April 2015 St Leonard's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust from East Sussex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	35,203	-	-	35,203
LGPS pension surplus/(deficit)	-	(79,000)	-	(79,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/(liabilities)	35,203	(79,000)	-	(43,797)
	<hr/>	<hr/>	<hr/>	<hr/>

The above net assets include £35,203 that was transferred as cash.

27. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Sussex County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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27. PENSION COMMITMENTS (continued)

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the 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 1 April 2019.

The pension costs paid to TPS in the period amounted to £59,885.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £84,000, of which employer's contributions totalled £69,000 and employees' contributions totalled £15,000.

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.

As described in note 26 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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27. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	2015 £
Present value of funded obligations	(995,000)
Fair value of scheme assets	696,000
	<hr/>
Net liability	(299,000)
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The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £
Current service cost	(77,000)
Interest on obligation	(15,000)
Expected return on scheme assets	10,000
	<hr/>
Total	(82,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2015 £
Opening defined benefit obligation	466,000
Current service cost	77,000
Interest cost	15,000
Contributions by scheme participants	15,000
Actuarial Losses	422,000
	<hr/>
Closing defined benefit obligation	995,000
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Movements in the fair value of the academy trust's share of scheme assets:

	2015 £
Opening fair value of scheme assets	300,000
Expected return on assets	10,000
Actuarial gains and (losses)	302,000
Contributions by employer	69,000
Contributions by employees	15,000
	<hr/>
	696,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £120,000.

The academy trust expects to contribute £139,000 to its Defined Benefit Pension Scheme in 2016.

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27. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015
Discount rate for scheme liabilities	3.80 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.70 %

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

	2015
Retiring today	
Males	22.2
Females	24.4
Retiring in 20 years	
Males	24.2
Females	26.7

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(995,000)
Scheme assets	696,000
Deficit	(299,000)
Experience adjustments on scheme assets	302,000

28. RELATED PARTY TRANSACTIONS

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