

Company Registration No. 08108086 (England and Wales)

**CHESHIRE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**



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CHESHIRE ACADEMIES TRUST

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CHESHIRE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Myers (Appointed 1 September 2019)
H Ziman (Resigned 31 December 2019)
J Lucy
M Connolly (Resigned 20 January 2020)
J Moorhouse (Resigned 25 June 2020)
D Haworth
A Canham (Appointed 15 June 2020)
A Ashley (Appointed 1 September 2020)
R Bowman (Appointed 1 September 2020)
T Harrop (Appointed 1 September 2020)
N Ankers (Appointed 5 October 2020)

Trustees

A Ashley (Resigned 7 July 2020)
A Brennan
M Huber
R Hughes
J Myers (Chair)
J Sandford
H Ziman (Resigned 31 December 2019)
P Woodhouse (Appointed 23 October 2019)
W M Griffin (Appointed 6 October 2020)
S Price (Appointed 6 October 2020)
E Wright (Appointed 6 October 2020)

Senior management team

- Director of Operations
- Principal (Mill View)
- Principal (Kelsall)
- Principal (Boughton Heath), CEO & Accounting Officer
- Principal (Bexton Primary School)

L Jones
K Doyle
D Wearing
S Ellis
E Armstrong

Company registration number

08108086 (England and Wales)

Principal and registered office

c/o Kelsall Primary School
Flat Lane
Kelsall
Tarporley
Cheshire
CW6 0PU

Independent auditor

WR Partners
Chartered Accountants & Statutory Auditor
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

CHESHIRE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
8 Foregate Street
Chester
Cheshire
CH1 1XP

Solicitors

Browne Jacobson
3 Piccadilly Place
Manchester
M1 3BN

CHESHIRE ACADEMIES TRUST**TRUSTEES' REPORT****FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

For the period 1 September 2019 to 31 August 2020, the Trust operated four primary academies and a teaching school. Trust academies have a combined pupil capacity of 1160 and had a roll of 1193 on 31 May 2020. The status of Trust academies is currently as follows:

Academy Name	Borough	Joined the Trust on	PAN	Number on Roll May 2020
Bexton Primary School & Nursery	Cheshire East	1st August 2019	500	518
Boughton Heath Academy	Cheshire West and Chester	1st January 2015	210	214
Kelsall Primary School & Nursery	Cheshire West and Chester	1st January 2015	240	247
Mill View Primary School	Cheshire West and Chester	1st January 2015	210	214

Structure, governance and management**Constitution**

The multi-academy 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 of the academy Trust. The trustees of Cheshire Academies Trust (CAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cheshire Academies Trust.

Details of the trustees who served during the year, and to the date these accounts are approved 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

The Trust is a member of the DfE Risk Protection Arrangement which provides cover for members and trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 12 of the accounts.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of trustees

The members of Cheshire Academies Trust are responsible for the appointment of the trustees. Trustees can also appoint trustees.

The Board have actively recruited trustees and members with relevant skills and/or links to academy communities and have done so via existing links and recruitment portals such as Inspiring Governance.

The appointment of suitable candidates begins with an initial telephone interview with the Chair followed by a formal written application which is reviewed by the appointing Board.

In previous years' new trustees would be invited to visit academies and meet Principals as part of their induction programme. Due to Covid-19 that has not been possible this year so new trustees have been provided with an online induction pack (which includes information about their role and Trust academies) and invited to attend an online induction, led by the Chair.

On 31st August 2020 the Board comprised 6 co-opted Trustees with professional backgrounds in governance, HR, finance, risk management, law and estates management.

Harry Ziman's tenure as Chair ended on 31 August 2019 and Janet Myers was unanimously voted to the Chair position (and as ex-officio member) from 1 September 2019. The Trust's Articles were updated on 30 June 2020 to remove the requirement for the Chair to fulfil a Member role. This change was brought about to ensure absolute separation between Members and the Board. Janet has retained her role as a Member and will step down once the Member recruitment programme is fulfilled. Harry Ziman resigned as both a Member and a Trustee in December 2019.

The Board was pleased to welcome Peter Woodhouse as Trustee in October 2019. Peter joined the Board with previous experience of chairing the local governing board at Bexton Primary School and significant professional experience in estates.

In July 2020 Alison Ashley resigned her position as Trustee.

Led by the Chair, the Board have been active in recruiting new Members and Trustees in 2019-2020. Following the resignation of Maura Connolly (January 2020) and Jon Moorhouse (June 2020) Members were pleased to welcome Andrew Canham in June 2020. Andrew joins with significant experience of governance in our local community. Post 31 August 2020 four additional members were recruited. All have significant previous experience at local governance level within our school communities. They were formally appointed as Members in October 2020.

3 co-opted Trustees were also formally appointed to the Board in October 2020. They join the Board with previous governance experience and with professional backgrounds in educational senior leadership, marketing and strategy.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

On appointment, trustees receive information relating to the Trust and its academies, attend an induction briefing, visit individual academies (where possible), and receive an induction pack containing information relevant to their role.

Information provided to new trustees includes details of their role and responsibilities, procedures for meetings, information about training opportunities and the provision of relevant documentation including safeguarding documentation, recent Ofsted reports, Trust policies and the scheme of delegation.

During the year, trustees were offered whole trust training on Ofsted and Finance. They also had access to online training through the National Governance Association's Learning Link. Trustees have participated in the National Governance Association's Board Development Programme. As part of this programme, they have completed an online board self-evaluation, which considers the effectiveness of their work, and created a governance development plan to deliver improvements in the areas that they identified for development: communication between the trust board and the local governing bodies; building capacity and experience on the trust board; and encouraging ownership and buy-in to the trust's vision and strategy.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The structure of the Trust consists of two levels; the trustees and executive leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Chief Executive Officer is the Trust's Accounting Officer.

The trustees fulfil four core functions. They are responsible for setting the vision and strategic plan; they set general policy; they agree the budget and ensure the Trust uses its resources for its agreed charitable purpose; and they hold the Chief Executive to account for the performance of academies and the Trust as a whole. Agendas are set in line with the trust's annual planner, which is reviewed by trustees annually to ensure coverage of all statutory and strategic responsibilities.

The Trust's executive leadership team is the Chief Executive Officer and Principal of Boughton Heath Academy, the Trust's Director of Operations who fulfils the role of Chief Financial Officer, the Principal of Kelsall Primary School, the Principal at Mill View Primary School and the Principal of Bexton Primary School. These leaders control the Trust at an executive level and, in the case of the Principals at individual academies, implement the policies set down by the trustees and are accountable to them for the performance of each school.

The Chief Executive leads the Trust executive leadership team and is held accountable by the board for the performance of the academies. The role was made permanent by trustees on 7 February 2020.

The Trust appointed two sub-committees in September 2019. The resources committee held a preliminary meeting in July 2019 and met in September, November March and June. The standards committee met in October and March. The June meeting was postponed due to Covid-19.

The Trust employs two governance professionals to clerk the Trust board and the local governing boards (LGBs). Both clerks are highly skilled and experienced. The Trust clerk is currently undertaking the accredited NGA Clerks' Programme.

Day to day responsibility for the individual academies is devolved to LGBs in accordance with the Scheme of Delegation. They operate either a flat structure which requires all governors to attend a monthly meeting, or a structure with sub-committees. Each committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Principal and to the academy senior leadership team. The terms of reference and meeting frequency for each committee are reviewed and approved by the LGB annually.

Each academy LGB appointed a new Chair in 2019-2020. The Chair of the Board met with all academy chairs individually and at termly chairs meetings to enable discussion regarding their roles and the direction of academies and the Trust. The Chair, CEO and Director of Operations attend LGB meetings regularly throughout the year. Attendance at some meetings in 2019-2020 was postponed due to Covid-19.

CHESHIRE ACADEMIES TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****Arrangements for setting pay and remuneration of key management personnel**

The pay and remuneration for the Chief Executive Officer is decided by the Trust board on recommendation from the appraisal panel which includes representatives from the board of trustees and an external advisor.

The pay and remuneration for academy Principals is decided by the Trust Board on recommendation from the appraisal panel which includes the Chief Executive Officer.

The pay and remuneration for the Director of Operations is decided by the board of trustees on recommendation from the appraisal panel which includes the Chief Executive Officer and a representative from the board of trustees.

Decisions surrounding supplementary pay increases for all staff, including key management personnel, are made by trustees.

Trade union facility time*Relevant union officials*

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

4,292,309

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

National Support School – Teaching School – Cheshire Leadership and Teaching Alliance

Kelsall Primary School was designated as the first Teaching School in Cheshire West and Chester in March 2013. Kelsall Primary School is the Lead school of Cheshire Leadership and Teaching Alliance (CLTA). David Wearing is Director and Carole Farrell is Operations Director.

Teaching Schools are outstanding schools which have been nationally recognised for their capacity to support and help other schools to improve outcomes. They fulfil much of their remit through the role of system leaders. These are outstanding colleagues who are committed to supporting other schools to have an impact on the outcomes and experiences of children in a whole community. A Core Grant of £40,000 was paid to Kelsall Primary School by the DfE in 2019-2020.

The remit of teaching schools is three-fold:

1. School-led Initial Teacher Training

10 Associate Teachers (ATs) started the School Direct programme in September 2019. All 10 completed the programme successfully. The teaching school received funds of £55,200 from the University of Chester to facilitate this programme. Associate Teachers were based in 5 of the CLTA Alliance/Partner schools and received training provided by Chester University (PGCE Element) and from CLTA (Professional Training).

Trainers are careful to ensure that the course is of the highest possible standard. Feedback forms completed by ATs at the end of each training session are scrutinised for quality assurance. Some training was disrupted due to Covid 19 restrictions but Maths and Literacy continued to be delivered remotely.

6 of the 10 ATs have secured positions in schools locally or beyond, in a competitive jobs market. The remaining 4 have joined supply agencies and continue to actively seek employment in a primary school environment.

2. Professional and Leadership Development

CLTA works with Star Institute to deliver accredited qualifications for leadership.

NPQML: 27 participants generating a gross income of £10,800 and a net profit of £8,230.

NPQSL: 20 participants generating a gross income £10,000 and a net profit of £8,350

CPD has been a growth area for CLTA over the past year. In the period September 2019 – February 2020, 30 events produced a revenue of £23,860 and a net profit of £12,405. Events that were cancelled post March were expected to produce an additional revenue of £14,475 and a net profit of £10,000.

CLTA have been working closely with Cheshire West Education Improvement Board (CWEIB) and Ignite Teaching School Alliance to host half termly SENCo Networking Cluster Meetings. This has proven hugely successful with 50/60 attendees per session. These meetings are funded by CWEIB. CLTA receives £100 per term to cover associated administration costs.

3. School to School Support

Between September 2019 and March 2020, Cheshire West and Chester Council commissioned 3 Senior Leaders in Education (SLE) to provide support for 7 schools in Literacy and Maths. Unfortunately, SLEs have been unable to visit schools since March, due to Covid restrictions.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The Trust's object is to advance for the public benefit education for children aged 2-11 by establishing, maintaining, managing and developing academies offering an outstanding curriculum that raises standards and aspirations.

Our aim is to improve standards in our individual academies via a formalised approach to collaboration and creativity, providing children with the necessary academic, creative, physical and social skills that will develop throughout their education and lay the foundations for a fulfilled adult life.

The wider aims of the Trust are:

- To contribute to raising national standards in education through sharing good practice with other schools and teachers across the country; and
- To take a leading role in national initiatives.

Objectives, strategies and activities

The Trust continued to work on its priorities for the year ended 31 August 2020 which were:

Growth

To consider how carefully planned growth will benefit children and staff both within the Trust and incoming schools.

Communication and Governance

To further strengthen governance through engagement with the National Governance Association's Board Programme and by fulfilling the agreed action plan to facilitate communication between the Board and LGB's, to build capacity and experience on the Trust Board and to encourage ownership and buy-in to the Trust's vision and strategy.

Financial Sustainability

To continually review Trust and academy finances to ensure the central Trust and its academies operate within the funds provided and to ensure financial decisions positively impact on pupils e.g. PPG/FSM.

Accountability

To review accountability and external validation of what work is undertaken as a Trust in relation to pupil outcomes, collaborative partnerships, needs and development. To establish that the work undertaken by the Trust has had a positive impact on pupil outcomes.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on the public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees considered how planned activities will contribute to the aims and objectives they have set.

Cheshire Academies Trust 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 or duties.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Key performance indicators

The Board uses a number key performance indicators (KPI's) to assess Trust performance and therefore the success of the company. These include, but are not limited to, Ofsted outcomes if available, exam results in comparison to Trust data and national averages, attendance percentages and total spend as a percentage of the overall academy budget. The annual statutory testing programme was cancelled in 2020 and therefore the board considered the following KPI's for the year ended 31 August 2020:

Aspect or KPI	Bexton	Boughton Heath	Kelsall	Mill View
OUTSTANDING PROFESSIONALS				
Staff Vacancies in 2019-2020	0	3	2	12
Staff Attendance (out of 100% for whole year)	98.50%	99.40%	97.30%	99%
Ofsted Leadership and Management Judgement	2	1	1	1
Governor Attendance (out of 100% for whole year)	84%	84%	82%	89%
Governor Visits/meeting undertaken in 2019-2020	3	3	1	4
Staff Wellbeing Feedback (Anxiety Levels Qu)	3.4	3.4	3.5	4
FINANCIAL HEALTH				
3 year budget forecast (overall surplus/deficit)	Surplus	Surplus	Surplus	Surplus
In year surplus as a percentage of total income	9.54%	2.29%	4.8%	7.75%
Total spend on staffing	£ 1,879,641	£708,795	£802,414	£762,784
Total spend on non-staffing costs	£541,469	£318,875	£260,357	£229,964
Overall 2020 position Surplus/Deficit	Surplus	Surplus	Surplus	Surplus
Contingency Reserves	£10,000	£32,000	£80,947	£23,878
Average Teacher cost	£52,028	£53,688	£50,946	£54,353

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Teaching School surplus/deficit 2020	Surplus - £20,147			
Central Trust surplus/deficit 2020	Surplus - £4,524			
COLLABORATIVE PARTNERSHIPS				
Attendance at executive meetings	100%	100%	80%	100%
CAT Quality Assurance Doc (complete/not complete)	complete	complete	Complete	complete
Teaching School Number of Students v/s passed	10			
Teaching School Number on ML/SL course	26/21			
Teaching School Number of schools collaborating with CLTA	103 (different schools)			
SCHOOL IMPROVEMENT				
Progress measure in RWM 2019	3.7/3.1/3.9	1.1/1.6/1.4	1.4/0.99/0.4	4.3/-1.1/-0.22
Academy SEF Judgements QE/PD/L&M/EY	1/1/1/1	1/1/1/1	2/1/2/1	2/1/2/2
Pupil Attendance	96.10%	96.7%	96.5%	96.9%
EXCEPTIONAL TEACHERS AND LEARNERS				
Quality of teaching over time judgement	1	1	1	2
Behaviour and Safety Judgement	1	1	1	1
SUSTAINABLE GROWTH				
Types of Schools	Primary	Primary	Primary	Primary
Ofsted Overall Judgement	2	1	1	1

There were no Ofsted visits to any Cheshire Academies Trust academy in 2019-2020.

Going concern

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

CHESHIRE ACADEMIES TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes such as pupil premium grant, universal free school meal grant or the teacher pay grant. Income is also generated through the Teaching School (CLTA). The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Boughton Heath Academy, Kelsall Primary School and Mill View Primary School generate income via catering operations and all Trust academies generate income from out of hours' activities. The income generated by these activities during the year ended 31 August 2020 is shown as unrestricted funds in the Statement of Financial Activities.

The Trust receives devolved formula capital (DFC) grants and the opportunity to bid for Capital Improvement Funding (CIF) from the ESFA. The Trust made two applications to the CIF fund in 2019-2020. One application was for classroom expansion at Boughton Heath Academy and one was for a replacement roof at Bexton Primary School. Both applications were rejected by the ESFA. Having reviewed the outcome of the application the Trust believes that the application for Bexton was assessed incorrectly and has submitted an appeal. The outcome of the appeal is expected in the Autumn term 2020.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), DFC grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets.

Financial activities at all academies were impacted in 2019-2020 by Covid19. All academies incurred costs in relation to additional cleaning, purchase of hygiene and PPE products, new signage, building developments, free school meal vouchers, IT and educational resources and supply staff. The total cost to the Trust as a result of these expenses is estimated to be £32,000. The Trust was not eligible for any additional funding to off-set these costs and is expected to meet them from existing funds. Academies were able to reclaim costs relating to cancelled residential visits from the Risk Pooling Arrangement. This enabled academies to provide full refunds to parents without incurring further costs.

The most significant financial impact to Trust academies came as loss of income to catering, out of hours and nursery provisions, which operated for key worker children only for the period 23 March – 28 June 2020. The total loss of income from these provisions in 2019-2020 is estimated at £165,000. This loss was off-set in part by claims to the HMRC furlough scheme totaling £51,431.

Trust academies incurred costs of £1,000 each in relation to work undertaken in partnership with Microsoft to create digital learning platforms in order to support blended learning provisions in the event of local lockdowns or closure of individual class bubbles. The costs will be reclaimed via the DfE on completion of the project in September 2020.

Overall, funds held by each academy increased in the year ended 31 August 2020 due to a revenue surplus of £188,334 (2019: £131,310.) This was primarily because academies were unable to follow agreed spending plans in the spring and summer terms due to Covid-19. Therefore, the extent of the income total income loss is masked in the figures detailed in the Statement of Financial Activities. Significant capital developments at all academies have been postponed until 2020-21 with capital funds ring-fenced to deliver these projects. Additionally, academies will restart their planned premises maintenance schedules, IT replacement schemes, grounds maintenance schedules and staff development programmes in September 2020.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In March 2020 the Trust was visited by a School Resource Management Advisor (SRMA), who undertook an assessment of the Trust's use of resources, on behalf of the ESFA. The report evidenced the work the Trust has already undertaken to support its academies in achieving value for money and outlined two areas where potential savings might be identified.

The Trust is an employer in the Cheshire Pension Fund, the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme and the assets are held separately from those of Cheshire Academies Trust. Pension scheme assets are measured at fair value and the liabilities are measured on an actuarial basis. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs, gains and losses on settlements and curtailments. They are included as part of the operational costs. Each Academy purchases ill-health liability insurance for LGPS members through Legal and General, the cost of which is offset against the employer charge.

The employer rate for each academy was amended on 1 April 2020, following an actuarial review of the scheme, and resulted in the reductions that are set out below:

	Rate to 31 March 2020	Rate from 1 April 2020
Bexton Primary School	33.90%	24.70%
Boughton Heath Academy	25.30%	23.80%
Kelsall Primary School	25.30%	22.40%
Mill View Primary School	25.30%	21.50%

The amended employer rates will be in place until the next review in March 2023.

The Trust met its obligations in respect of auto-enrolment for all eligible employees under the Pensions Act 2008. Auto-enrolment took place for all employees on 1 May 2020. There was one in-year retirement at Mill View Primary School. There is no material change to the LGPS membership at any individual academy.

At 31 August 2020 the net book value of fixed assets was £12,227,673. Movement in tangible assets is shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils in the Trust and the operation of CLTA.

During the year ended 31 August 2020, total revenue expenditure excluding depreciation of £5,469,098 was met by recurrent grant funding from the ESFA together with other incoming resources.

Reserves policy

The Board of trustees reviews the Trusts' Reserves Policy and did so in June 2020. The review resulted in no change to the requirement that academies should achieve a level of free reserves equivalent to one month's salary costs. This should be achieved over an agreed timeframe that does not pose a risk to routine academy operation.

The review of the policy did result in a change in the level of free reserves held by the central Trust, which was also set at the equivalent of one month's net (central Trust staff) salaries. This is now set at 15% of annual income.

The total Trusts free reserves at 31 August 2020 were £388,698 and total revenue reserves were £1,179,196.

CHESHIRE ACADEMIES TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Although the Trust does not consider the investment of funds as a primary activity, as a result of good stewardship the Trustees remain open to exploring investment opportunities.

The Trust had no investments at 31 August 2020.

Principal risks and uncertainties

The Trust has a risk management policy which clearly outlines the responsibilities of the board, local governing bodies, academy principals and other staff in regards to managing risk and the appropriate steps to take to in order to manage risk. The Trust categorises risk into four areas: Strategic and Reputational; Operational; Compliance; and Financial.

The Board has considered the major risks to which the Trust is exposed including those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisational development, operations, safeguarding, HR, ICT, reputation and legal matters.

The increased level of risk in each of these key areas brought about by Covid-19 have been recognized and regularly reviewed since March 2020. The Trust has developed in-depth risk assessments to support 'Covid Recovery' which focus on health and safety, child and staff well-being and the development of blended learning opportunities.

Each Trust academy, CLTA and the central Trust have individual, comprehensive risk registers which are reviewed annually by the board and more regularly at an operational level. A risk rating mechanism in the registers focuses LGB and executive team attention to those areas identified as higher risk, so appropriate actions can be taken.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The Trust itself investigates non-governmental grant awarding bodies which may be in a position to assist it in achieving its charitable aims and submits formal applications for such grants. During the year the Trust received £1,200 (2019: £10,000) from such sources. These funds were received at Kelsall Primary School (£1,000) by Arts Mark in recognition of their work to develop the arts curriculum and at Boughton Heath Academy (£200) from WH Smith as a contribution towards the development of the Reception play area.

Each Trust academy also has an appropriately constituted Parent Teacher Association (PTA). These solicit donations, primarily from parents, for specific projects, through organising Christmas and summer fairs, school discos, parents' social evenings etc. Opportunities to raise funds via these sorts of events were limited in 2019-2020.

No professional fundraisers or commercial participators were used to assist any PTA during the year in its activities (2019: None) and no complaints were received by the Trust or any persons acting on its behalf about activities by the charity or any persons acting on its behalf in fundraising (2019: None).

The Trust monitors the activities of its PTAs to ensure that both vulnerable people and members of the general public are protected against unreasonable intrusion or unreasonably persistent approaches for soliciting money or undue pressure to make donations.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Cheshire Academies Trust is a collaborative community of academies that provide rich, creative experiences for children to enjoy, learn and remember. The work of the Trust is underpinned by six core values; Integrity, Respect, Well-being, Responsibility, Inclusion and Everyday Creativity. Through these values the Trust supports its academies to thrive through the sharing of best practices and systems and a programme of rigorous internal challenge.

Significant steps have been taken to further strengthen leadership and governance at all levels of the Trust and this will continue to be a priority moving forwards. In 2020-21 the Board plans to expand its range of skills and experience at Board and Member level and expand executive capacity with the intention to support growth.

The Trust believes that careful growth will realise significant benefits for the children and staff in both converting academies and existing Trust academies and is looking forward to the conversion of Manor Park Primary and Nursery in Knutsford, currently planned for January 2021.

Following a period of review, the Trust will implement a revised academy level finance and business structure in September 2020. The intention of this is to provide a framework in which central services can grow to 8-10 academies whilst continuing to provide high quality central services and meet the additional corporate responsibilities brought about by growth. This structure will increase skills and knowledge capacity at academy and Trust levels to ensure that there is capacity to provide additional levels of corporate resource support to academies that may require it.

The Trust is committed to improving standards for all young people in the locality and regards sponsoring additional academies as one of the means by which that can be achieved. The Trust holds academy sponsor status and will continue to work closely with the Regional Schools Commissioner Office in order to fulfil this aim.

The Trust continues to create alliances and be actively involved with local schools to engage in discussions around school improvement. This is most notably done through the Trusts' teaching alliance CLTA, which has worked with 103 local primary schools in the year to 31 August 2020. The Trust is mindful of national changes to the Teaching Schools initiative which will impact on the way CLTA operates. The Director of CLTA is working with partners across the North West region to develop proposals to align CLTA with the national agenda.

Funds held as custodian trustee on behalf of others

To 31 August 2020 the Trust did not hold funds as custodian trustee on behalf of others.

CHESHIRE ACADEMIES TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

In April 2019, following a tendering process, the Board appointed WR Partners as its auditors for the period 2019-2022. The Board will go out to tender for its audit services for the period 2022-2025 in Spring 2022.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 08 December 2020 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

CHESHIRE ACADEMIES TRUST**GOVERNANCE STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2020****Scope of responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that Cheshire Academies 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 Officer, as Accounting Officer, for ensuring financial controls conform to 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 Kelsall Primary School and the supplementary funding agreements between Boughton Heath Academy, Mill View Primary School and Bexton Primary School and the Secretary of State for Education. In practice much of the day-to-day financial responsibility is delegated to the Trusts' Director of Operations who fulfils the role of Chief Financial Officer and as such is responsible for reporting to the Board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
A Ashley (Resigned 7 July 2020)	0	8
A Brennan	7	8
M Huber	5	8
R Hughes	6	8
J Myers (Chair)	8	8
J Sandford	7	8
H Ziman (Resigned 31 December 2019)	1	2
P Woodhouse (Appointed 23 October 2019)	7	8
W M Griffin (Appointed 6 October 2020)	0	0
S Price (Appointed 6 October 2020)	0	0
E Wright (Appointed 6 October 2020)	0	0

CHESHIRE ACADEMIES TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Standards and Curriculum Committee

	Number of Meetings Attended	Total Number of Meetings
Alison Ashley	0	2
Alison Brennan	2	2
Janet Myers	2	2

Resources Committee

	Number of Meetings Attended	Total Number of Meetings
Martin Huber	3	4
Rob Hughes	3	4
Janet Sandford	4	4
Peter Woodhouse	1	2

**All Trustees in attendance on 19th March 2020 for a Corona virus update with the exception of Alison Ashley who sent apologies*

In addition to the NGA's Board Development Programme, the board discussed its effectiveness, including the transition to online meetings, and how to develop this further in its July 2020 meeting. A mid-year report on the effectiveness of governance was provided to members in July 2020. External reviews of governance take place on a three year rolling cycle. The most recent external review of governance took place in January 2018.

During the year the Board and its committees receive targeted data about progress against the trust's strategic plan, including agreed KPIs, the educational standards within the academies, and the financial effectiveness of the trust. This includes internally assessed data and external data, such as SATs results. The data is scrutinised in trust board and committee meetings, and changes are made to the format of data if required. Data is supplemented with discussions with senior trust and academy staff and local governing bodies, and reports from external advisors to allow the Board to verify the quality and accuracy of the data provided.

Review of value for money

As Accounting Officer the Chief Executive Officer 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 and key performance indicators, where appropriate.

The Accounting Officer for the Trust has delivered improved value for money during the year through the delivery of a programme of internal review and control which focuses on improving standards by supporting and challenging performance to ensure statutory compliance and improved educational outcomes for all groups of pupils in the Trust.

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 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 Cheshire Academies Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

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 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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:

- Monthly management accounts and cash flow statements provided to all trustees
- Integrated curriculum financial planning which provides curriculum led financial forecasts over a three-year period to support planning and decision making
- Monthly financial management cycle implemented in each academy to ensure the provision of accurate and timely data and reviewed by the Trusts' Finance Manager
- Termly financial reports to governing boards to support academy level financial challenge and scrutiny
- Resource Committee with oversight and challenge of financial decisions taken at executive level
- The implementation of an internal scrutiny programme implemented by the Trust's auditors (in replacement of the Responsible Officer programme in place until 2018-2019)
- Setting of key performance targets to measure financial and other performance
- Clearly defined policies and procedures for all personnel with financial responsibilities to work within. Most notably the Trusts Scheme of Delegation, Financial Handbook and suite of financial and accounting policies
- Annual programme of risk identification as set out in the risk management policy

In 2019-2020 WR Partners fulfilled the internal scrutiny programme for the Trust, following an agenda set by the resources committee. The agenda was agreed after consideration of the points outlined in the management letter for 2018-2019. Testing on payroll, purchases, income, bank reconciliations, governance procedures and risk registers were carried out. No material issues were identified and findings in all areas were deemed to be at least 'good'.

The programme for 2019-2020 was incomplete on 31st August 2020 due to limitations caused by Covid-19 however it was completed by 31st October 2020.

Under the revised terms of the Academies Financial Handbook 2020 it is no longer permissible for both the external and internal audit to be performed by the same organisation. To this end the Trust is in the process of undertaking a tender for the delivery of internal audit services for the period ending 31st August 2021 and beyond.

CHESHIRE ACADEMIES TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

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

- the work of the internal scrutiny programme;
- the work of the external auditor; and
- the work of the executive leaders within the 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 and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 08 December 2020 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers
Chair

CHESHIRE ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Cheshire Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's 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 2019.

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

DocuSigned by:

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Mr Steven Ellis
Accounting Officer

08 December 2020

CHESHIRE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Cheshire Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 08 December 2020 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

CHESHIRE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE ACADEMIES TRUST FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Cheshire Academies Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

CHESHIRE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

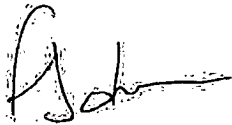
CHESHIRE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Fran Johnson BSc BFP FCA (Senior Statutory Auditor)
for and on behalf of WR Partners**

8 December 2020

Statutory Auditor

Chartered Accountants & Statutory
Auditor
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

CHESHIRE ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHESHIRE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cheshire Academies Trust during the period 1 September 2019 to 31 August 2020 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 Cheshire Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cheshire Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cheshire Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cheshire Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Cheshire Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CHESHIRE ACADEMIES TRUST

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHESHIRE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

WR Partners
Chartered Accountants & Statutory Auditor
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Dated: 08 December 2020

CHESHIRE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	20,666	- 34,491	55,157	109,485
Donations - transfer from local authority on conversion		-	(60,837)	(60,837)	6,223,552
Charitable activities:					
- Funding for educational operations	4	-	5,511,703	5,511,703	3,168,150
- Funding for teaching school	24	-	146,359	146,359	231,978
Other trading activities	5	10,550	-	10,550	3,121
Investments	6	270	-	270	483
Exceptional income		-	55,834	55,834	-
Total		31,486	5,653,059	5,719,036	9,736,769
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	5,648,502	5,833,737	3,436,795
- Teaching school		-	125,596	125,596	212,725
Total	7	-	5,774,098	5,959,333	3,649,520
Net income/(expenditure)		31,486	(121,039)	(150,744)	(240,297)
Transfers between funds	16	(27,113)	- 27,113	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(43,000)	(43,000)	(572,000)
Net movement in funds		4,373	(164,039)	(123,631)	(283,297)
Reconciliation of funds					
Total funds brought forward		384,325	(1,369,463)	12,362,866	11,377,728
Total funds carried forward		388,698	(1,533,502)	12,239,235	11,094,431

CHESHIRE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	61,242	-	48,243	109,485
Donations - transfer from local authority on conversion		-	(324,944)	6,548,496	6,223,552
Charitable activities:					
- Funding for educational operations	4	-	3,168,150	-	3,168,150
- Funding for teaching school	24	-	231,978	-	231,978
Other trading activities	5	3,121	-	-	3,121
Investments	6	483	-	-	483
Total		64,846	3,075,184	6,596,739	9,736,769
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	3,300,922	135,873	3,436,795
- Teaching school		-	212,725	-	212,725
Total	7	-	3,513,647	135,873	3,649,520
Net income/(expenditure)		64,846	(438,463)	6,460,866	6,087,249
Transfers between funds	16	(166,000)	(102,000)	268,000	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(572,000)	-	(572,000)
Net movement in funds		(101,154)	(1,112,463)	6,728,866	5,515,249
Reconciliation of funds					
Total funds brought forward		485,479	(257,000)	5,634,000	5,862,479
Total funds carried forward		384,325	(1,369,463)	12,362,866	11,377,728

CHESHIRE ACADEMIES TRUST**BALANCE SHEET****AS AT 31 AUGUST 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13	12,227,673		12,361,170	
Current assets					
Debtors	14	130,959		437,329	
Cash at bank and in hand		1,473,560		976,205	
		<u>1,604,519</u>		<u>1,413,534</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(413,761)</u>		<u>(420,976)</u>	
Net current assets		<u>1,190,758</u>		<u>992,558</u>	
Net assets excluding pension liability		<u>13,418,431</u>		<u>13,353,728</u>	
Defined benefit pension scheme liability	18	<u>(2,324,000)</u>		<u>(1,976,000)</u>	
Total net assets		<u><u>11,094,431</u></u>		<u><u>11,377,728</u></u>	
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds		12,239,235		12,362,866	
- Restricted income funds		790,498		606,537	
- Pension reserve		<u>(2,324,000)</u>		<u>(1,976,000)</u>	
Total restricted funds		<u>10,705,733</u>		<u>10,993,403</u>	
Unrestricted income funds	16	<u>388,698</u>		<u>384,325</u>	
Total funds		<u><u>11,094,431</u></u>		<u><u>11,377,728</u></u>	

The accounts on pages 29 to 52 were approved by the trustees and authorised for issue on 08 December 2020 and are signed on their behalf by:

DocuSigned by:

Janet Myers

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J Myers
Chair

Company Number 08108086

CHESHIRE ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19	514,332		(156,453)	
Cash funds transferred on conversion		-		292,000	
		<u>514,332</u>		<u>135,547</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		270		483	
Capital grants from DfE Group		34,491		48,243	
Purchase of tangible fixed assets		<u>(51,738)</u>		<u>(314,315)</u>	
Net cash used in investing activities		<u>(16,977)</u>		<u>(265,589)</u>	
Net increase/(decrease) in cash and cash equivalents in the reporting period		497,355		(130,042)	
Cash and cash equivalents at beginning of the year		<u>976,205</u>		<u>1,106,247</u>	
Cash and cash equivalents at end of the year		<u><u>1,473,560</u></u>		<u><u>976,205</u></u>	

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****1 Accounting policies****(Continued)****1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more (or £250 if IT equipment) 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 that require 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:

Buildings	Straight line over 50 years
Computer equipment	25% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 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.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 Department for Education Group.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	34,491	34,491	48,243
Other donations	20,666	-	20,666	61,242
	<u>20,666</u>	<u>34,491</u>	<u>55,157</u>	<u>109,485</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,833,072	3,833,072	2,443,826
Other DfE group grants	-	606,928	606,928	318,266
	<u>-</u>	<u>4,440,000</u>	<u>4,440,000</u>	<u>2,762,092</u>
Other government grants				
Local authority grants	-	501,901	501,901	91,857
Other government grants	-	2,896	2,896	7,000
	<u>-</u>	<u>504,797</u>	<u>504,797</u>	<u>98,857</u>
Other funding				
Teaching school income	-	146,359	146,359	231,978
Other incoming resources	-	566,906	566,906	307,201
	<u>-</u>	<u>713,265</u>	<u>713,265</u>	<u>539,179</u>
Total funding	<u>-</u>	<u>5,658,062</u>	<u>5,658,062</u>	<u>3,400,128</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown on the Statement of Financial Activities as "exceptional income".

The academy furloughed some of its catering, out-of-hours and nursery staff under the government's CJRS. The funding received relates to staff costs which are included in note 10 as appropriate.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	1,780	-	1,780	1,025
Miscellaneous income	8,770	-	8,770	2,096
	<u>10,550</u>	<u>-</u>	<u>10,550</u>	<u>3,121</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	270	-	270	483

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	3,503,191	148,188	255,625	3,907,004	2,273,912
- Allocated support costs	1,100,285	315,627	510,821	1,926,733	1,162,883
Teaching school					
- Direct costs	20,153	-	33,772	53,925	97,285
- Allocated support costs	32,234	7,927	31,510	71,671	115,440
	<u>4,655,863</u>	<u>471,742</u>	<u>831,728</u>	<u>5,959,333</u>	<u>3,649,520</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	9,590	9,200
- Other services	9,145	4,050
Operating lease rentals	4,903	7,547
Depreciation of tangible fixed assets	185,235	135,873
Net interest on defined benefit pension liability	40,000	20,000

8 Central services

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

- human resources;
- financial, budgetary and accounting services;
- various educational support and administrative services.

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****8 Central services****(Continued)**

The Trust's policy is for charges upon member entities/academies to be levied each teaching term upon a basis designed solely to cover the estimated costs of the core services provided.

In both years, each academy was charged an equal percentage of its General Annual Grant income with the remaining estimated costs being assigned as a charge to the CLTA.

In addition, CLTA occupies part of the Kelsall Primary School site and directly compensates the school via an annual rent charge of £10,000 (2019: £17,174).

The amounts charged during the year were as follows:

	2020 £	2019 £
Bexton Primary School	88,084	6,344
Kelsall Primary School	41,142	42,867
Boughton Heath Primary School	38,790	41,496
Mill View Primary School	40,719	43,152
Cheshire Leadership & Teaching Alliance	15,000	26,760
	<u>223,735</u>	<u>160,619</u>

9 Charitable activities

	2020 £	2019 £
All from restricted funds:		
Direct costs		
Educational operations	3,907,004	2,273,912
Teaching school	53,925	97,285
Support costs		
Educational operations	1,926,733	1,162,883
Teaching school	71,671	115,440
	<u>5,959,333</u>	<u>3,649,520</u>

	Teaching school £	Educational operations £	Total 2020 £	Total 2019 £
Analysis of support costs				
Support staff costs	32,234	1,119,706	1,151,940	683,796
Depreciation	-	37,047	37,047	26,873
Technology costs	1,561	161,512	163,073	78,396
Premises costs	7,927	278,580	286,507	193,164
Legal costs	-	27,408	27,408	26,527
Other support costs	29,949	285,705	315,654	255,670
Governance costs	-	16,775	16,775	13,897
	<u>71,671</u>	<u>1,926,733</u>	<u>1,998,404</u>	<u>1,278,323</u>

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****10 Staff****Staff costs**

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,344,283	1,891,567
Social security costs	211,955	134,174
Pension costs	1,041,071	444,286
Staff costs - employees	4,597,309	2,470,027
Agency staff costs	58,554	125,541
Staff restructuring costs	-	36,479
Staff development and other staff costs	4,655,863 44,435	2,632,047 36,948
Total staff expenditure	4,700,298	2,668,995

Staff restructuring costs comprise:

Severance payments	-	36,479
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Staff numbers

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

	2020 Number	2019 Number
Teachers	59	33
Administration and support	143	73
Management	8	9
	210	115

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £352,000 (2019: £308,000).

11 Trustees' remuneration and expenses

No remuneration and other benefit payments have been made this year to trustees.

During the year ended 31 August 2020, there were no travel and subsistence expenses reimbursed to trustees (2019: £73).

12 Insurance for trustees and officers

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

13 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	12,638,713	126,455	184,909	500	12,950,577
Additions	20,605	5,761	25,372	-	51,738
At 31 August 2020	12,659,318	132,216	210,281	500	13,002,315
Depreciation					
At 1 September 2019	466,425	45,371	77,153	458	589,407
Charge for the year	122,667	28,830	33,696	42	185,235
At 31 August 2020	589,092	74,201	110,849	500	774,642
Net book value					
At 31 August 2020	12,070,226	58,015	99,432	-	12,227,673
At 31 August 2019	12,172,288	81,084	107,756	42	12,361,170

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****14 Debtors**

	2020 £	2019 £
Trade debtors	23,259	2,673
Other debtors	37,477	347,491
Prepayments and accrued income	70,223	87,165
	<u>130,959</u>	<u>437,329</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	83,877	187,190
Other taxation and social security	59,015	57,573
Other creditors	80,137	71,845
Accruals and deferred income	190,732	104,368
	<u>413,761</u>	<u>420,976</u>

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	26,904	3,833,072	(3,808,098)	-	51,878
Other DfE / ESFA grants	-	606,928	(606,928)	-	-
Other government grants	-	504,797	(504,797)	-	-
Teaching school	148,253	146,359	(125,596)	-	169,016
Other restricted funds	431,380	561,903	(423,679)	-	569,604
Pension reserve	(1,976,000)	-	(305,000)	(43,000)	(2,324,000)
	<u>(1,369,463)</u>	<u>5,653,059</u>	<u>(5,774,098)</u>	<u>(43,000)</u>	<u>(1,533,502)</u>
Restricted fixed asset funds					
DfE group capital grants	12,362,866	34,491	(185,235)	27,113	12,239,235
Total restricted funds	<u>10,993,403</u>	<u>5,687,550</u>	<u>(5,959,333)</u>	<u>(15,887)</u>	<u>10,705,733</u>
Unrestricted funds					
General funds	384,325	31,486	-	(27,113)	388,698
Total funds	<u>11,377,728</u>	<u>5,719,036</u>	<u>(5,959,333)</u>	<u>(43,000)</u>	<u>11,094,431</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

General fund

Represents amounts derived from the hire of facilities and investment income.

General Annual Grant

This represents the balance remaining from core funding provided by the EFSA for the schools core educational activities.

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 2020.

Other Restricted General Funds

This represents the balance remaining from other funding provided by the EFSA/DfE and local authorities for the academy trust's educational activities.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31 August 2020.

Fixed Asset Restricted Funds

This represents the value of fixed assets shown on the balance sheet plus carried forward capital cash at bank. The assets underlying the fund are the Trust's land and buildings, furniture, motor vehicles, fixtures and fittings and computer equipment.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	2,443,826	(2,416,922)	-	26,904
Other DfE / ESFA grants	-	318,266	(318,266)	-	-
Other government grants	-	98,857	(98,857)	-	-
Teaching school	129,000	231,978	(212,725)	-	148,253
Other restricted funds	249,000	631,257	(346,877)	(102,000)	431,380
Pension reserve	(635,000)	(649,000)	(120,000)	(572,000)	(1,976,000)
	<u>(257,000)</u>	<u>3,075,184</u>	<u>(3,513,647)</u>	<u>(674,000)</u>	<u>(1,369,463)</u>
Restricted fixed asset funds					
Transfer on conversion	-	6,548,496	-	(6,548,496)	-
DfE group capital grants	5,634,000	48,243	(135,873)	6,816,496	12,362,866
	<u>5,634,000</u>	<u>6,596,739</u>	<u>(135,873)</u>	<u>268,000</u>	<u>12,362,866</u>
Total restricted funds	<u>5,377,000</u>	<u>9,671,923</u>	<u>(3,649,520)</u>	<u>(406,000)</u>	<u>10,993,403</u>
Unrestricted funds					
General funds	319,479	64,846	-	-	384,325
Designated fund	166,000	-	-	(166,000)	-
	<u>485,479</u>	<u>64,846</u>	<u>-</u>	<u>(166,000)</u>	<u>384,325</u>
Total funds	<u>5,862,479</u>	<u>9,736,769</u>	<u>(3,649,520)</u>	<u>(572,000)</u>	<u>11,377,728</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Bexton Primary School	275,117	290,849
Kelsall Primary School	360,763	304,261
Boughton Heath Primary School	129,262	92,550
Mill View Primary School	179,318	103,366
Cheshire Leadership & Teaching Alliance	170,333	148,431
Central services	64,403	51,405
Total before fixed assets fund and pension reserve	1,179,196	990,862
Restricted fixed asset fund	12,239,235	12,362,866
Pension reserve	(2,324,000)	(1,976,000)
Total funds	11,094,431	11,377,728

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Bexton Primary School	1,623,635	346,470	73,229	284,666	2,328,000	171,178
Kelsall Primary School	676,279	223,471	70,066	119,607	1,089,423	980,852
Boughton Heath Primary School	587,320	165,616	99,430	119,540	971,906	927,173
Mill View Primary School	634,271	201,196	82,139	90,808	1,008,414	1,045,554
Cheshire Leadership & Teaching Alliance	20,314	32,234	35,172	12,656	100,376	170,461
Central services	131,901	57,591	18,529	27,957	235,978	217,271
	3,673,720	1,026,578	378,565	655,234	5,734,097	3,512,489

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****17 Analysis of net assets between funds**

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	12,227,673	12,227,673
Current assets	388,698	1,204,259	11,562	1,604,519
Creditors falling due within one year	-	(413,761)	-	(413,761)
Defined benefit pension liability	-	(2,324,000)	-	(2,324,000)
Total net assets	388,698	(1,533,502)	12,239,235	11,094,431
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	12,361,170	12,361,170
Current assets	384,325	1,027,513	1,696	1,413,534
Creditors falling due within one year	-	(420,976)	-	(420,976)
Defined benefit pension liability	-	(1,976,000)	-	(1,976,000)
Total net assets	384,325	(1,369,463)	12,362,866	11,377,728

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £80,000 were payable to the schemes at 31 August 2020 (2019: £72,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The TPS valuation based on April 2016 data has resulted in an increase of the employer contribution rate from 16.48% to 23.68% payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £358,903 (2019: £188,286).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	300,000	156,000
Employees' contributions	69,000	34,000
Total contributions	369,000	190,000

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3

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

	2020 Years	2019 Years
Retiring today		
- Males	21.2	22.3
- Females	23.6	24.5
Retiring in 20 years		
- Males	21.9	23.9
- Females	25.0	26.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £000s	2019 £000s
Discount rate + 0.1%	(148)	(126)
Discount rate - 0.1%	148	126
Mortality assumption + 1 year	219	188
Mortality assumption - 1 year	(219)	(188)
CPI rate + 0.1%	131	103
CPI rate - 0.1%	(131)	(103)

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

	2020 Fair value £	2019 Fair value £
Equities	1,428,000	1,278,000
Bonds	1,301,000	1,176,000
Property	317,000	227,000
Other assets	127,000	45,000
Total market value of assets	3,173,000	2,726,000

The actual return on scheme assets was £103,000 (2019: £158,000).

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****18 Pension and similar obligations****(Continued)**

Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	565,000	242,000
Past service cost	-	14,000
Interest income	(54,000)	(47,000)
Interest cost	94,000	67,000
Total operating charge	605,000	276,000
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	4,702,000	2,167,000
Obligations acquired on conversion	-	1,504,000
Current service cost	565,000	242,000
Interest cost	94,000	67,000
Employee contributions	69,000	34,000
Actuarial loss	92,000	683,000
Benefits paid	(25,000)	(9,000)
Past service cost	-	14,000
At 31 August 2020	5,497,000	4,702,000
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	2,726,000	1,532,000
Assets acquired on conversion	-	855,000
Interest income	54,000	47,000
Actuarial gain	49,000	111,000
Employer contributions	300,000	156,000
Employee contributions	69,000	34,000
Benefits paid	(25,000)	(9,000)
At 31 August 2020	3,173,000	2,726,000

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****19 Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(240,297)	6,087,249
Adjusted for:		
Net deficit/(surplus) on conversion to academy	60,837	(6,223,552)
Capital grants from DfE and other capital income	(34,491)	(48,243)
Investment income receivable	(270)	(483)
Defined benefit pension costs less contributions payable	265,000	100,000
Defined benefit pension scheme finance cost	40,000	20,000
Depreciation of tangible fixed assets	185,235	135,873
Decrease/(increase) in debtors	306,370	(348,329)
(Decrease)/increase in creditors	(7,215)	88,976
Stocks, debtors and creditors transferred on conversion	(60,837)	32,056
Net cash provided by/(used in) operating activities	514,332	(156,453)

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	976,205	497,355	1,473,560

21 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	2,121	5,270
Amounts due in two and five years	3,055	2,041
	5,176	7,311

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Related party transactions

Owing to the nature of the academy trust, in particular the Teaching School activities, and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Teaching school trading account

	2020		2019	
	£	£	£	£
Direct income				
Other direct income		146,359		231,978
Direct costs				
Direct staff costs	20,314		27,032	
Educational supplies and services	1,864		580	
Educational consultancy	31,747		69,673	
	<u>53,925</u>		<u>97,285</u>	
Other costs				
Support staff costs	32,234		30,307	
Technology costs	1,561		957	
Maintenance of premises and equipment	6,878		2,437	
Cleaning	32		393	
Energy costs	1,017		-	
Security	-		14	
Transport	-		696	
Catering	355		-	
Other support costs	29,594		80,350	
Share of governance costs	-		286	
	<u>71,671</u>		<u>115,440</u>	
Total expenditure		(125,596)		(212,725)
Surplus from all sources		20,763		19,253
Teaching school balances at 1 September 2019		148,253		129,000
Teaching school balances at 31 August 2020		<u>169,016</u>		<u>148,253</u>