

**REGISTERED COMPANY NUMBER: 08451787 (England and Wales)**

**Report of the Trustees and**  
**Financial Statements for the Year Ended 31 August 2021**  
**for**  
**Chester Diocesan Academies Trust**

UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN



## Chester Diocesan Academies Trust

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## Chester Diocesan Academies Trust

### Reference and Administrative Details for the Year Ended 31 August 2021

<b>MEMBERS:</b>	Right Revd M Tanner (appointed 26.3.21) Ven Dr M Gilbertson The Chester Diocesan BOE Revd L Bannon Canon E Renshaw MBE
<b>TRUSTEES</b>	Mr N M Dixon Chief Executive & Accounting Officer * Mr M W Holland Mr T J Leslie * Mr E C G Owen (resigned 12.10.20) Canon E Renshaw MBE * Ms J Ryan * Mr P M Eastwood Mrs M Mowatt (resigned 02.12.21) Revd Canon D Felix * Mr C Penn (appointed 15.1.21) Mr J P Mason (appointed 22.9.21)
* members of the finance and general purpose committee	
<b>COMPANY SECRETARY</b>	J N Hampton Ltd
<b>SENIOR MANAGEMENT TEAM:</b>	Mrs A Donelan (Christ Church - Head Teacher) Mrs K McLean (Brereton - Head Teacher) Mrs K Chesters (Wybunbury Delves - Head Teacher) Mr S Wright (St Paul's - Head Teacher) Mrs N Hewitt (St George's - Head Teacher) Ms L Pleavin (Utkinton - Head Teacher) Ms J Evans (CDAT CFO) Mr N M Dixon (CDAT CEO) Mrs C Johnstone (Little Bollington - Head Teacher) Mrs E Harding (Bredbury - Head Teacher) Mr S Murphy (St Matthew's Head Teacher) Miss P Blythe (Astbury - Head Teacher)
<b>REGISTERED OFFICE</b>	Church House 5500 Daresbury Park Daresbury Warrington WA4 4GE
<b>REGISTERED COMPANY NUMBER</b>	08451787 (England and Wales)
<b>INDEPENDENT AUDITORS</b>	UHY Hacker Young St John's Chambers Love Street Chester Cheshire CH1 1QN

Chester Diocesan Academies Trust

Reference and Administrative Details  
for the Year Ended 31 August 2021

**BANKERS**

Nat West Bank Plc  
33 Eastgate Street  
Chester  
Cheshire  
CH1 1LG

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

As of 31 August 2021, CDAT operates ten primary academies in the Diocese of Chester. Its academies have a combined pupil capacity of 2,245 and had a roll of 1,875 in the school census of October 2020:

School	Capacity	Number of Roll
St Matthew's	250	200
St Paul's	300	265
Wybunbury Delves	240	195
Brereton	210	198
Christ Church Moreton	392	375
Astbury St Mary's	133	85
Bredbury St Mark's	335	171
Little Bollington	105	105
Utkinton St Paul's	70	46
St George's, Hyde	210	235

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The Trust has been established to allow any Church of England school in the Diocese of Chester to join as either a converter or sponsored academy, and is also happy to accept applications from community schools who wish to join. The Trust is guided by the belief that every child deserves to go to a great school, and as a Trust, it is our job to help schools in CDAT to be the best they can be within their own context.

CDAT is committed to:

- Valuing the uniqueness of every child
- Aspiring to excellence
- Being a nurturing learning community for all

The distinctively Christian ethos of the Trust is encapsulated by the following Bible verse:

'Jesus said, 'I have come in order that you might have life, life in all its fullness.' (John 10:10).

As a Trust, CDAT wants every child to experience 'life in all its fullness'. Children are at the heart of CDAT, and to us 'life in all its fullness' means giving the children in our schools:

- outstanding learning opportunities;
- opportunities to act, sing, dance, play sport and be artistic;
- opportunities to make lifelong friendships, help those in need and become full, rounded, confident individuals;
- opportunities to develop and pursue ambitions.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

The ongoing, significant impact of the covid-19 pandemic meant that the Trust's primary objective for the year to 31st August 2021 was to continue to provide the Trust's schools with the support needed to enable them to continue to provide effective education and high levels of pastoral care for their pupils and families, whether in school or at home, and to ensure that school sites were as covid-safe and secure as possible for staff and pupils

This practical, primary objective influenced a lot of the Trust's work over the year, but did not detract from the Trust's broader long-term strategy and objectives, which are:

- 1) Quality of Education: ensuring that pupils in all CDAT schools benefit from at least a 'good' quality of education.
- 2) Christian Distinctiveness: ensuring that all CDAT schools provide their pupils with a distinctively Christian environment in which to learn and grow, in line with the school's original foundation.
- 3) Leadership and people: providing excellent leadership and governance at a trust and school level; attracting, developing and retaining the best people to work in our schools.
- 4) Developing and growing the CDAT family of schools: strategically grow our partnership to further enhance school-to-school working and to extend CDAT's reach across the diocese; ensure that vulnerable diocesan schools are supported in order to improve the quality of education that they provide.
- 5) Financial and Operational effectiveness: ensuring a financially viable and sustainable multi-academy trust delivering high quality and cost-effective services to schools; enabling schools to maximise their resources to increase the quality of provision within well-maintained school buildings and ensuring that the Trust and its schools remain compliant with relevant statutory requirements.

##### **Public benefit**

The Trust provides educational services to children in the local area of each school. Each school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students academically and in areas such as music, the arts and sport.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities, such as local sports clubs and activities such as Cubs and Brownies.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Charitable activities**

As of 31 August 2021, the Trust operates ten primary academies, which is an increase from eight that were part of the Trust 12 months ago. This represents a continuing, steady increase in the size of the Trust. The Trust's schools are as follows:

##### **St Matthew's CE Primary School, Edgeley (Stockport LA area):**

St Matthew's was the first school to join CDAT, in 2014, at a time when the school was in 'special measures.' The school was subsequently judged by Ofsted as 'good' in 2016, and received an 'outstanding' SIAMS judgement in 2017. The school is situated in the Edgeley area of Stockport, where the percentage of pupils eligible for free school meals is roughly twice the national average. By the end of Year 6, pupils' progress in reading, writing and maths is consistently in line with other schools nationally, and the introduction of a new phonics scheme has led to improvements in pupils' attainment in phonics throughout key stage 1. The school has developed its own 'forest school' area and has also been involved in a number of interesting research projects with partners such as local universities and the Education Endowment Fund.

##### **St Paul's CE Primary School, Stalybridge (Tameside LA area):**

St Paul's was CDAT's second school, joining in 2017. It is a successful school, having been judged as 'good' in its most recent Ofsted inspection in January. A planned reduction in the school's Published Admission Number (PAN) - from 45 to 30 - is gradually working its way through the school, allowing the school to be organised now in mainly single-age group classes. In May 2021 the school was delighted to be accredited with the AcSEED award. AcSEED promotes adoption of best practices in supporting the emotional wellbeing and mental health of young people in UK schools and colleges, and provides recognition for organisations that satisfy the AcSEED criteria for wellbeing support. The AcSEED assessment team commented on the strong wellbeing ethos at St Paul's, the school's wide range of mental health and wellbeing provisions, and by its strong focus on continuous improvement.

##### **Wybunbury Delves CE Primary School (Cheshire East LA area):**

Wybunbury Delves is a vibrant, single form entry primary school with approximately two hundred pupils, including a school-led Pre-School. It is situated in the lovely village of Wybunbury, on the outskirts of Nantwich, and is served by St Chad's Church. Wybunbury joined CDAT in June 2017 as a converter academy. The school is currently judged 'good' by Ofsted and was graded as 'outstanding' in its most recent SIAMS inspection (2017). Standards at the school are typically at least in line with the national average, and often exceed that level. The school has been working exceptionally hard on developing a broad and rich curriculum that matches the context of the school and its pupils' needs, and which is very well supported by the use of information technology. During the last academic year the school appointed a new Deputy Headteacher to further strengthen school leadership, and the school continues to move forward as an exciting place for children to come and learn.

##### **Brereton CE Primary School (Cheshire East LA area):**

Brereton is a thriving, highly-popular school in the beautiful village of Brereton, near Holmes Chapel. Brereton joined the Chester Diocese Academy Trust family in March 2018 as a converter academy. Typically, pupils' attainment is at, or above, the national average while the school's last SIAMS inspection gave the school an 'excellent' grading. In the last year, the school has established a hugely successful 'Forest School'. Each class has a weekly session and teachers plan these collaboratively with the Forest School's lead. Feedback from staff, pupils and parents has been overwhelmingly positive and the provision has been hugely beneficial supporting pupils with EHCPs and improving pupils' overall mental health. Swimming provision was also highly commended by parents and pupils. School leaders arranged for a pool to be onsite for four weeks and Y3/4 pupils swam every day, and so made outstanding progress. In English, the school has embedded 'Accelerated Reader', a programme designed to promote and support reading. Pupils read for twenty minutes every day and once they have completed a book, they take a short quiz in order to show their understanding of the text. The programme also allows monitoring of how many words pupils have read and four pupils have been named as 'Word Millionaires', having read over a million words.

##### **Utkinton St Paul's CE Primary School (Cheshire West & Chester LA area):**

Utkinton is a small Church of England primary school, set in beautiful grounds in the rolling Cheshire countryside, just outside the village of Tarporley. The school joined CDAT in December 2020, although the Trust had been working to provide support for the school in the months leading up to conversion. The school's previous Ofsted inspection prior to conversion (January 2019) had identified that the school 'requires improvement'. Locally, the school is known for its friendly and nurturing qualities, with children particularly benefiting from small class sizes and access to a curriculum focused to meet their needs.

##### **Christ Church CE Primary School, Moreton (Wirral LA area):**

Christ Church is a popular and successful primary school of almost four hundred pupils - which makes it CDAT's largest

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

school. It is situated in Moreton on the Wirral and is very close to the church with which it shares its name. The school joined the Chester Diocese Academy Trust family in December 2018 as a converter academy, being rated as 'good' by Ofsted (2018) and 'outstanding' by SIAMS. Pupil outcomes at Christ Church are on a strong upward trajectory, so that the schools last published data showed attainment and progress to now be typically at least as strong as other schools locally and nationally. The school provides a rich and varied curriculum which is backed up by an extensive programme of enrichment clubs and activities; the school has particularly strong provision in areas such as art, PE and computing, supported by specialist teaching and a well-planned and comprehensive programme of staff development. During the last school year, school leaders at Christ Church have also provided additional leadership support for one of the other schools in the Trust.

#### **Astbury St Mary's CE Primary School (Cheshire East LA area):**

Astbury St Mary's is a small, friendly and inclusive school in a beautiful village setting on the outskirts of Congleton. The school is organised into four classes, including a Pre-School that was set up in January 2020 to meet the needs of parents and the local community. The school's last inspection before conversion placed it into 'special measures', but this does not reflect the quality of education that the school now provides and academic standards and pupil numbers continue to rise, while school leaders have worked hard to develop a curriculum well matched to the school's context and cohorts. Excellent use is made of the school's outdoor areas, and this year a friendship garden has been developed - benches, firepit, polytunnel, fruit trees and raised beds. This provides a space where children have planted vegetables and flowers, watched nature and had fires to toast marshmallows: an area to learn and space to worship together in beautiful countryside.

#### **Bredbury St Mark's CE Primary School (Stockport LA area):**

Bredbury St Mark's joined the Chester Diocese Academy Trust family in February 2020 as a sponsored academy, having been judged by Ofsted to have 'serious weaknesses' (April 2019). Since then, a new senior leadership team has been appointed and the school is moving forward at a good pace. During the past twelve months the school has launched its new school vision and motto of 'Dream Big'. As part of this the school had a beautiful mural painted in the main corridor, representing the school's key Christian values.

A successful building project, including major roofing works and the replacement of curtain walls and windows, has been completed. This was largely funded through a SIF grant. School leaders have also been working hard to redevelop the school's curriculum: as well as a strong focus on raising standards in core subjects, staff have been providing pupils with lots of chances to take part in and experience a wide range of creative and physical activities.

#### **Little Bollington CE Primary School (Cheshire East LA area):**

Little Bollington is a small, family orientated, primary school of around one hundred pupils. It is situated very near to Dunham Massey house and grounds and is on the banks of the Leeds Liverpool Canal, and is served by Holy Trinity Church, next door. Little Bollington joined the Chester Diocese Academy Trust family in May 2020 as a converter academy. The school has an attractive, rural setting and children benefit from well-maintained and developing facilities which include recent additions such as a new Year 6 classroom and a 'daily mile' track. The school is the fifth of CDAT schools to have a current SIAMS grade of 'outstanding', while its last Ofsted inspection led to a 'good' judgement. Published data shows that, by the time they leave Year 6, pupils' progress in reading, writing and maths is consistently at least as strong as that in other schools nationally.

#### **St George's CE Primary School, Hyde (Tameside LA area):**

St George's is a popular, often oversubscribed one form entry primary school situated right next door to St George's Church, very close to the centre of Hyde. The school is currently rated as 'good' by Ofsted, while its SIAMS inspections have consistently judged the school to be 'outstanding'. The school serves a very diverse community and school leaders have a strong commitment to providing equality of opportunity for all. As part of this commitment, the school has been involved in the 'Local Matters' research project undertaken by Manchester Institute of Education and delivered through the Disadvantage and Poverty Research Network. This work has, through bringing place and the local context into view, provided a new evidence base, methodologies, insights and resources for schools based in high poverty contexts across the North West of England.

#### **Academic performance**

The coronavirus pandemic this year has again caused the cancellation of the tests/assessments used to measure primary school performance in school performance tables etc. Where assessments have gone ahead (e.g. Phonics Checks) these have either not been formally reported, or have been made optional (Y4 Tables Check). There is therefore no comparable data across the Trust, or for the comparison of the Trust's schools with others nationally. However, in June and July 2021 all of the Trust's schools undertook a rigorous process of baselining pupils' performance in reading, writing and mathematics against either standardised test scores or moderated examples of age-related learning. This process has provided all of the schools, and the Trust as a whole, with a benchmark against which to measure performance and improvements over the next 12 months.

#### **Impact of covid-19**

The impact of covid-19 has been felt in a number of different areas, in particular:



## Chester Diocesan Academies Trust

### Report of the Trustees

for the Year Ended 31 August 2021

- Pupils' academic performance: despite the substantial efforts of the schools to provide high-quality home-learning experiences, including the use of virtual lessons and web-based sharing of work and feedback, the disruption caused by the pandemic and lockdowns has had a noticeable impact on pupils' progress and achievement. While there are variations within and between schools, typically the quality of pupils' writing has been hit most severely.
- Impact on younger children: many children have missed out on the EYFS provision that they would normally have accessed, or have had a significantly disrupted experience. Initial assessments suggest that this has impacted on younger children's language and communication development, and on their development of social skills and 'school readiness'. School leaders are aware of this and many schools are planning to provide adapted experiences in Year 1 to make up for gaps in pupils' Early Years education.
- Impact on well-being and mental health. Schools are also acutely aware of the impact that the pandemic has had on children's wellbeing and mental health, and children have had to deal with very significant challenges at home, including bereavement, loss of household income, confinement and loss of interaction because of lockdown. Schools have identified ways in which to address these wellbeing-impacts.
- Impact on staff: it is not just children who have had to deal with these issues - many staff and their families have been equally affected. Some staff have also had to tackle concerns over possible impacts of covid on their own health, and have had to adapt to new ways of working, including far more home-working and also having to deliver learning virtually.
- Covid has also had a financial impact. For many schools, income streams such as out of hours clubs and childcare dried up because people were working from home and didn't require these extra services: however, because of the nature of the system, few schools were able to access the financial support of the furlough scheme.

#### **Key financial performance indicators**

The Trustees consider that the following are key performance indicators for the Trust:

- Ongoing quality of education provided in the Trust's schools - measured by Ofsted grade and published assessment information (although the Ofsted inspections have been suspended since March 2020 and no assessment information will be published this year)
- Budget setting stability - so that each school and the Trust as a whole is able to set at least a balanced budget
- Pupil numbers across the trust and at an individual school level
- Ongoing capital expenditure to maintain good quality learning environments in each school
- The continued expansion of the Trust, at a planned and sensible rate, to further develop cluster-working between schools and to secure the Trust's long-term viability.

The Trustees have been satisfied that, as far as can reasonably be measured, expectations for all key performance indicators listed continue to be successfully met. There have been no Ofsted inspections in the last 12 months because routine inspections were suspended. Capital projects funded through successful CIF bids have been undertaken and completed at Christ Church and Bredbury St Mark's.

During 2020-21, the Trust expanded from 8 to 10 schools with the addition of Utkinton St Paul's and St George's, Hyde. Further expansion is anticipated in 2021-22, with Bosley St Mary's due to join on 1st September 2021 and other schools in discussions to make formal applications to the Regional School Commissioner for likely conversion dates in summer 2022. The Trust's wish is to at least reach the sort of size identified by various DfE/Ofsted reports as being the 'sweet spot' for Trusts - around 15-20 schools and 3,000+ pupils - but with a view to further expansion as has been successful in comparable Dioceses such as Oxford and Norwich. The Trust has developed plans to support this level of expansion through working more in regional clusters, and through adding to the Trust's central team to ensure that there is capacity to continue to provide high-quality support.

#### **Financial review**

##### **Financial position**

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2021, total expenditure of £11,073,000 was covered by recurrent grant funding from the ESFA together with other incoming resources and reserves carried forward. The excess of income over expenditure for the year was £840,000.

At 31 August 2021, the net book value of fixed assets was £3,003,000 and movements in tangible fixed assets are shown in the notes to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The closing total funds are shown as £(1,715,000), which includes the pension liability of £6,500,000.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Investment policy and objectives**

Currently the Trust has no investments. Its policy is consistent with its status as a Multi Academy Trust and an Exempt Charity. Any future investment decisions would be subject to scrutiny by the Trustees.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Reserves policy**

##### Introduction

The Board of Trustees is able to hold reserves to further the Trust's charitable aims. The ESFA (Education and Skills Funding Agency) previously set limits on the amount of GAG (General Annual Grant) that could be carried forward by Trusts from year-to-year, these limits have now been removed.

The ESFA Academy Trust Handbook notes that trusts should use their allocated GAG funding for the full benefit of their current pupils. If a Trust has a substantial surplus, they should have a clear plan for how it will be used to benefit pupils.

It should be noted that GAG funding is provided to Academies on a lagged basis and therefore funding received for an academic year relates to numbers on roll within the Academy in the previous October. This can have a significant impact if there are material fluctuations in pupil numbers between those which have left the year 6 cohort and those which have come into the reception cohort. Trustees therefore feel it a priority to strike a balance between the benefit of current spending alongside the risks associated with financial forward planning and financial sustainability.

The Trust's funds are allocated to individual schools within the Trust. However, there is no central endowment and all funds held by the Trust are contributed by the schools within the Trust. Therefore, should a school go into deficit, it is effectively being funded by all other schools within the Trust.

##### Relationship between Chester Diocesan Academies Trust and its Academies

Trustees are mindful of the Academy Trust Handbook and the requirement that GAG funding should be spent on current pupils. However, Trustees are also aware of significant volatility in the funding of education. As an independent Academy Trust, the Board of Trustees are responsible for managing the fluctuations in financial fortunes.

Individual schools within the Trust are expected to set a budget each year using the GAG and other grants (e.g. Pupil Premium & Early Years Funding) and matching expenditure to that income.

Reserves at the end of each year are generally held in support of but not restricted to:

- Contribution to capital projects planned or in development (e.g. Contribution to CIF bid)
- Anticipated downward movements in pupil numbers (e.g. low cohort going through all school years)
- Financial commitments made but not yet come to fruition (e.g. IT Infrastructure work)
- Investment in future educational initiatives (e.g. Targeting improvement in a specific area)
- Cash flow requirement (e.g. Due to lagged funding such as Pupil Premium)
- Setting aside funds for a forthcoming change in legislation (e.g. National Insurance Contributions)
- Uncertainty in national funding arrangements and subsequent protection levels (e.g. National Funding Formula).
- Spending needs for future plans which may not be met by a single year's income (e.g. ICT equipment refresh).
- Financial pressures outside of Trust control (e.g. LGPS & Teacher superannuation employer contribution rates)
- Contingency against unforeseen events e.g. Premises repairs

When considering individual Academy budgets, the local governing bodies may set aside a budget to build up such reserves for purposes above. In subsequent years, the school would then plan to set a budget using such a reserve for the purpose previously identified. Ultimately as the final approver of the individual Academy budgets the Trustees will be responsible for acceptance of the plans. They will need to assess whether they allow access to the individual Academy reserves as they have the responsibility of securing the financial stability of the Trust as a whole.

##### Associated Support & Workings

As a continuing requirement in the Academy Trust Handbook the Trust must prepare monthly budget monitoring reports including cash flow forecast, and provide these to the Chair of Trustees monthly and all other Trustees six times per year. To increase transparency, Chester Diocesan Academies Trust will also provide such workings to each individual academy.

During the budget setting process each Academy is provided with an in depth financial forward planning budget, alongside an associated report which looks at the budget projections for the next 5 financial years. Such reports look in depth at appropriate class sizes in line with pupil number projections and allow the Trust with the planning of fixed term/ permanent contract arrangements.

##### Level of Reserves (Individual Academies)

All academies within Chester Diocesan Academies Trust have their own bank account.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRATEGIC REPORT**

##### **Financial review**

Chester Diocesan Academies Trust fully appreciates the variable nature of school funding and the nature of the Trust operating across various Local Authorities. As a result of such it is not possible to authorise a fixed level of reserves for each of its academies.

The Trust continues to believe that the preferred operating reserves to be held by an individual Academy is 8% of its most recent General Annual Grant Income or £50,000 whichever is greater. But it must be acknowledged that each individual Academy within the Trust will vary in terms of forward projections. For academic year 2021/22 this would equate to limits as per the below:

	GAG 2021/22	8%	Preferred operating reserves
Astbury St Mary's	£412,056	£32,964	£50,000
Brereton	£867,042	£69,363	£69,363
Bredbury St Mark's	£775,712	£62,057	£62,057
Christ Church Moreton	£1,580,040	£126,403	£126,403
Little Bollington	£521,443	£41,715	£50,000
St George's Hyde	£1,059,556	£84,765	£84,765
St Matthew's	£892,913	£71,433	£71,433
St Paul's	£1,153,674	£92,294	£92,294
Utkinton St Paul's	£296,474	£23,718	£50,000
Wybunbury Delves	£723,465	£57,877	£57,877

##### **Strategic Reserves**

Where reserves held are higher than the Preferred Operating Reserves, discussion will be facilitated to understand why this is the position, the reasons behind it and any strategic spending planned, alongside any corrective action plans if indeed required. Such action will include consideration of such reserve levels via the Trust Board. When the reserves held are lower than the targeted range, plans need to be put in place in both the short and long terms in order to rectify the situation and bring such reserves back to the required level.

On an annual basis within the Annual Accounts, the Trustee Report will identify the financial year end reserves level and policy in place. It will detail specific circumstances within each academy as to the level of reserves held.

##### **Level of Reserves (Overall Trust)**

In further consideration of the above Chester Diocesan Academies Trust reserves will be held at a minimum combined level of one month's worth of annual budgeted salary expenditure. This equates one month's operating expense, increasing to three months' as financial stability is achieved.

At 31st August 2021 the Academy Trust's total free reserves (which excludes fixed assets and the pension fund) amounted to £1,363,000.

##### **Going concern**

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

##### **Fundraising**

The Trust does not undertake any fundraising activities centrally. The schools within the Trust have undertaken a variety of fundraising activities to support a number of charities. These charities have included Children in Need, Comic Relief, Jeans for Genes and toilet twinning, amongst others.

All activities are voluntary, and no pressure is placed on the children and parents to contribute.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRATEGIC REPORT**

##### **Principal risks and uncertainties**

The principal risk for the Trust is falling pupil numbers. Pupil numbers have a direct impact on funding received and changes to those numbers require careful monitoring for their impact and for future planning. The Trust aims to mitigate the risk by working effectively with local communities to attract parents to its schools and to ensure that provision matches identified parental needs - such as through providing Pre-School provision or extending breakfast club and after-school club offers. We also know, from working with sponsored academies, that poor Ofsted outcomes have a significant impact on pupil numbers and so recognise the vital importance of maintaining a good standard of education in all of the Trust's schools.

During this year, the Trust has again had to deal with significant uncertainties caused by the covid-19 pandemic. These have included schools' losing anticipated income from out-of-school provision, the need to use additional staff to cover for sick/shielding colleagues and additional costs for cleaning and cleaning materials. The Trust has looked to mitigate against these uncertainties in a number of ways, including ensuring suitable staff absence insurance is in place and ensuring cleaning materials are sourced at the best available cost.

The financial instruments the Trust deals with are largely bank balances and trade creditors with limited trade and other debtors so its financial risk is viewed as minimal in this regard. The Trust does have to carry the deficit on the Local Government Pension Scheme on its balance sheet as a liability.

##### **Future plans**

The main objectives of the Trust and its future are summarised below: -

- To continue to provide a nurturing learning environment in which pupils and employees can thrive and in which the Trust's underpinning Christian ethos informs its decision making and future direction.
- To continue to improve the outcomes for all pupils in its school by supporting quality leadership and teaching across the Trust.
- To continue to develop the central capacity of the Trust.
- To continue to grow the Trust through welcoming further schools into CDAT, and by actively engaging with any free-school opportunities within the area of Chester Diocese
- To develop a cluster-model of working, allowing Trust schools to benefit from being part of a larger organisation while at the same time working in smaller, local groups to share best practice and engage in joint school improvement activities

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Charity constitution**

The 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 Chester Diocesan Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chester Diocesan Academies Trust.

Details of trustees who served during the year are included in the Reference and Administrative Details.

##### **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 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 cease to be a member.

##### **Trustees' Indemnities**

The Trust, through its articles, has indemnified its members, directors and officers to the fullest extent permitted by law.

##### **Recruitment and appointment of new trustees**

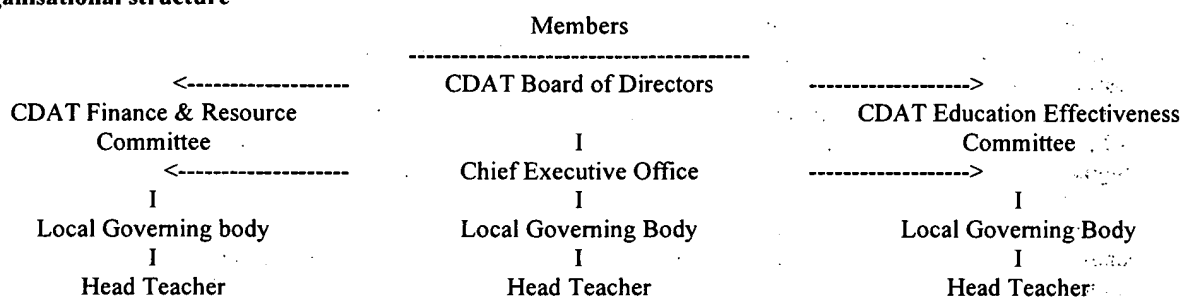
Members of the Trust (all of whom are currently appointed by Chester Diocesan Board of Education) appoint a minimum of 5 trustees. The members may agree to appoint such additional trustees as they think fit and would do so by considering the skills needed to ensure that the Board is able to successfully execute its duties.

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure**



The Trust leadership and management structure is illustrated above. The Chief Executive Officer is the Accounting Officer of the Trust. There is a detailed Scheme of Delegation which sets out the responsibility for decision making within the Trust.

### **Induction and training of new trustees**

All newly appointed trustees receive a basic introduction to their role by the Chief Executive Officer (CEO) or Chair of Trustees. This includes the provision of all relevant papers and reports. All newly appointed trustees are subject to the necessary Disclosure and Barring Service (DBS) checks.

### **Key management remuneration**

The members, trustees/directors and Local Governing Bodies receive no payment from the Trust for undertaking their duties. The key management personnel of the Academy Trust comprise the trustees/directors and Senior Management Team as disclosed in the Reference and Administrative Details.

The terms and conditions for the Chief Executive Officer were developed and approved by the Board of Trustees. Remuneration is set at an individual level, and the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bears in mind the charitable status of the academy trust, recognises that the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensures the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

### **Related parties**

As Members of the Trust are appointed by Chester Diocesan Board of Education (CDBE - a company limited by guarantee registered in England: no 00085176) there is a close working relationship between the Trust and CDBE. As the Trust is based in the central Diocesan offices it also has a working relationship with the Chester Diocesan Board of Finance (a company limited by guarantee registered in England: no 00007826).

## Chester Diocesan Academies Trust

### Report of the Trustees for the Year Ended 31 August 2021

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Relevant union officials**

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

Full-time equivalent employee number  
NIL

##### Percentage of time spent on facility time

Percentage of time  
0%  
1%-50%  
51%-99%  
100%

Number of employees  
NIL  
NIL  
NIL  
NIL

##### Percentage of pay bill spent on facility time

Total cost of facility time  
Total pay bill  
Percentage of total pay bill spent on facility time

NIL  
NIL  
NIL

##### Paid trade union activities

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

NIL

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

The Trust does not hold any funds as custodian for others.

#### **COVID-19 POLICIES**

The specific policies adopted in connection with COVID-19 can be found on our school websites. In the opinion of the trustees, we have implemented all recommendation of the government and continue to monitor this and will update these policies if required.

#### **AUDITORS**

The auditor, UHY Hacker Young will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21 December 2021 and signed on the board's behalf by:



Canon E Renshaw MBE - Trustee

## Chester Diocesan Academies Trust

### Governance Statement for the Year Ended 31 August 2021

#### **Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Chester Diocesan 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 of loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

#### **Governance**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Canon E Renshaw MBE	3	5
Mr N Dixon	5	5
Mr P Eastwood	4	5
Revd Canon D Felix	4	5
Mr M Holland	3	5
Mr T Leslie	5	5
Mrs M Mowatt (resigned 02/12/2021)	5	5
Mr E Owen (resigned 12/10/2020)	-	1
Mr C Penn (appointed 15/01/2021)	4	4
Ms J Ryan	5	5

CDAT held five full board meetings during 2020-21, as one planned meeting was cancelled due to covid-related issues. However, this did not prevent the board from very thoroughly fulfilling their duties: all board members were invited to attend a Finance Committee meeting in lieu of the cancelled meeting - this was one of six Finance Committee meetings held throughout the year. The board also made excellent, regular use of communication via email to ensure that board members retained full oversight of the trust's activities all year, and in particular at the height of the pandemic.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the Trust effectively, and to ensure the Trust's schools provide pupils and staff with a safe educational environment in which to learn. One of the Committee's responsibilities is routine budget setting and monitoring. Because of the relatively small size of the Trust, CDAT does not have a separate Audit Committee. Instead, the duties of the Audit Committee are incorporated into those of the Finance and General Purposes Committee, as set out in the current Academies Financial Handbook.

Attendance at Finance and General Purposes Committee meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Canon E Renshaw MBE	5	6
Revd Canon D Felix	5	6
Mr T Leslie	6	6
Ms J Ryan	5	6
<b>Committee Member</b>		
Ms Alison Beasley	6	6



## Chester Diocesan Academies Trust

### Governance Statement for the Year Ended 31 August 2021

#### **Review of Value for Money**

As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Getting best value in terms of training provision - e.g. by sharing training between schools to reduce costs, or through using a different provider to provide specific training at a lower cost than a previous provider
- Increasing the use of school-to-school support within the trust so that strong school leaders have been able to provide support for other schools at a lesser cost than would have been incurred had external consultants been employed to take on similar work - e.g. the secondment of a senior leader to support curriculum development and improve teaching at another trust school
- Successfully bidding for additional external funding, such as an ESIF grant, to further support the Trust's school improvement work
- Continuing to seek benefits of scale in terms of contracts within the trust - e.g. moving governor support and clerking to a single provider made savings of up to £2,000 for some schools

#### **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 charitable company 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 Chester Diocesan Academies Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## Chester Diocesan Academies Trust

### Governance Statement for the Year Ended 31 August 2021

#### **The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint ICCA (Education, Training and Skills) as internal auditor. Their role, as agreed by the Finance and General Purposes Committee, is to consider two or three specific areas each year within an overall three-year plan, jointly developed by ICCA and the Finance and General Purposes Committee.

This year, ICCA reported to the Finance and General Purposes Committee (without Trust management being present, as is suggested good practice). ICCA reported on their testing of key financial controls and noted that the HCSS system is working well and provides strong controls. Although ICCA were not able to carry out testing in schools this year (because of covid restrictions), HCSS provided a good evidence base which could be accessed remotely. The one finding, which relating to expenditure above authorised limits being approved in schools, has subsequently been addressed. ICCA also looked at the processes for staff budgeting and review followed this year and noted significant improvement. Central oversight of the schools' budget preparations was strong. ICCA's adviser also noted that he considered that CDAT had made considerable progress in improving financial reporting and controls, following the appointment in November 2020 of a full-time Director of Finance and Operations.

It is the Trust's expectation that a similar arrangement for internal audit will be in place for 2021/22, and that the content of the internal audit will be in line with the three-year internal audit plan. It is hoped that the internal auditor will report twice yearly to the Board, via the Finance and General Purposes Committee.

#### **Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 21 December 2021 and signed on its behalf by:



Canon E Renshaw MBE - Trustee

  
Mr N M Dixon - Accounting Officer

**Chester Diocesan Academies Trust**

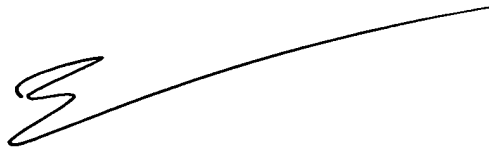
**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2021**

As accounting officer of Chester Diocesan Academies Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2020.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2020.

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.

Mr N M Dixon - Accounting Officer

A handwritten signature in black ink, consisting of a stylized 'N' followed by a long horizontal stroke that curves upwards at the end.

21 December 2021

## Chester Diocesan Academies Trust

### Statement of Trustees' Responsibilities for the Year Ended 31 August 2021

The trustees (who act as governors of Chester Diocesan Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 21 December 2021 and signed on its behalf by:



Canon E Renshaw MBE - Trustee

Report of the Independent Auditors to the Members of  
Chester Diocesan Academies Trust

**Opinion**

We have audited the financial statements of Chester Diocesan Academies Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- 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 Academies Accounts Direction 2020 to 2021.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of  
Chester Diocesan Academies Trust

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of  
Chester Diocesan Academies Trust

**Our responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the academy trust and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act and Academies Financial Handbook. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to value for money, related party transactions and analysis of income and expenditure between funds.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- review of any correspondence with legal advisors, and enquiries of management and those charged with governance around any actual and potential litigation and claims
- enquiries with trust's staff to identify any instances with non-compliance with laws and regulations
- enquiries of management and review of management accounts and reports in so far as they related to the financial statements,
- testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud, and evaluating the business rationale of significant transactions outside the normal course of business.
- undertaking detailed substantive testing of material items and a sample of other items
- consideration of the reasonableness of the figures and analytical review, including comparison with previous years and expected trends
- review of the compliance with and effectiveness of internal controls

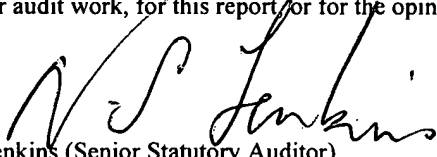
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of  
Chester Diocesan Academies Trust

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Mr Nicolaus S Jenkins (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN

21 December 2021



Independent Reporting Accountant's Assurance Report on Regularity to  
Chester Diocesan Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chester Diocesan Academies Trust during the period 1 September 2020 to 31 August 2021 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 Chester Diocesan Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chester Diocesan Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chester Diocesan Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Chester Diocesan Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Chester Diocesan 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 2020 to 2021. 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 2020 to 31 August 2021 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 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young  
Reporting Accountant  
St John's Chambers  
Love Street  
Chester  
Cheshire  
CH1 1QN

21 December 2021

# Chester Diocesan Academies Trust

## Statement of Financial Activities for the Year Ended 31 August 2021

				31.8.21	31.8.20	
	Notes	Unrestricted fund £	Restricted funds £	Fixed Asset Fund £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	-	63,403	1,521,428	1,584,831	859,539
Transfer from Local Authority on conversion		-	(391,445)	187,927	(203,518)	(485,603)
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	304,317	10,166,694	-	10,471,011	7,752,525
Other trading activities	4	61,133	-	-	61,133	8,014
<b>Total</b>		365,450	9,838,652	1,709,355	11,913,457	8,134,475
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	3	154,087	10,681,088	237,971	11,073,146	8,282,387
<b>Total</b>	5	154,087	10,681,088	237,971	11,073,146	8,282,387
<b>NET</b>						
<b>INCOME/(EXPENDITURE)</b>		211,363	(842,436)	1,471,384	840,311	(147,912)
<b>Transfers between funds</b>	17	-	(66,847)	66,847	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		-	(1,304,000)	-	(1,304,000)	(202,000)
<b>Net movement in funds</b>		211,363	(2,213,283)	1,538,231	(463,689)	(349,912)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		401,249	(3,535,738)	1,883,501	(1,250,988)	(901,076)
<b>TOTAL FUNDS CARRIED FORWARD</b>		612,612	(5,749,021)	3,421,732	(1,714,677)	(1,250,988)

The notes form part of these financial statements

# Chester Diocesan Academies Trust

Balance Sheet  
31 August 2021

	Notes	31.8.21 £	31.8.20 £
<b>FIXED ASSETS</b>			
Tangible assets	10	3,002,682	1,310,345
<b>CURRENT ASSETS</b>			
Stocks	11	-	446
Debtors	12	965,920	1,039,449
Cash at bank and in hand		<u>1,812,335</u>	<u>1,148,063</u>
		2,778,255	2,187,958
<b>CREDITORS</b>			
Amounts falling due within one year	13	(837,092)	(764,291)
<b>NET CURRENT ASSETS</b>		<u>1,941,163</u>	<u>1,423,667</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,943,845	2,734,012
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(158,522)	-
<b>PENSION LIABILITY</b>	18	(6,500,000)	(3,985,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>(1,714,677)</u>	<u>(1,250,988)</u>
<b>FUNDS</b>	17		
Restricted income funds		(2,327,290)	(1,652,237)
Unrestricted income fund		<u>612,613</u>	<u>401,249</u>
<b>TOTAL FUNDS</b>		<u>(1,714,677)</u>	<u>(1,250,988)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 December 2021 and were signed on its behalf by:



Canon E Renshaw MBE - Trustee



Mr N M Dixon - Trustee

The notes form part of these financial statements

# Chester Diocesan Academies Trust

## Cash Flow Statement

for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	790,205	(536,403)
Interest paid		<u>(6,420)</u>	<u>(4,810)</u>
Net cash provided by/(used in) operating activities		<u>783,785</u>	<u>(541,213)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,983,976)	(312,253)
Capital grants from DfE/EFA		<u>1,521,430</u>	<u>834,457</u>
Net cash (used in)/provided by investing activities		<u>(462,546)</u>	<u>522,204</u>
<b>Cash flows from financing activities</b>			
New loans in year		178,633	-
Loan repayments in year		<u>(1,075)</u>	<u>-</u>
Net cash provided by financing activities		<u>177,558</u>	<u>-</u>
Cash transferred on conversion to an academy		<u>165,475</u>	<u>101,047</u>
<b>Change in cash and cash equivalents in the reporting period</b>		664,272	82,038
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,148,063</u>	<u>1,066,025</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,812,335</u>	<u>1,148,063</u>

The notes form part of these financial statements

# Chester Diocesan Academies Trust

## Notes to the Cash Flow Statement for the Year Ended 31 August 2021

### 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21 £	31.8.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	840,311	(147,912)
Adjustments for:		
Depreciation charges	237,971	118,408
Capital grants	(1,521,430)	(834,457)
Transfer from Local Authority on conversion	203,518	485,603
Interest paid	6,420	4,810
Decrease in stocks	446	845
Decrease/(increase) in debtors	73,529	(610,699)
Increase in creditors	291,440	17,999
Difference between pension charge and cash contributions	658,000	429,000
Net cash provided by/(used in) operations	<u>790,205</u>	<u>(536,403)</u>

### 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,148,063</u>	<u>664,272</u>	<u>1,812,335</u>
	<u>1,148,063</u>	<u>664,272</u>	<u>1,812,335</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(19,036)	(19,036)
Debts falling due after 1 year	-	(158,522)	(158,522)
	-	(177,558)	(177,558)
<b>Total</b>	<u>1,148,063</u>	<u>486,714</u>	<u>1,634,777</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Chester Diocesan Academies Trust meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Critical accounting judgements and key sources of estimation uncertainty**

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the note, 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. 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.

For 2019-20 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

**(1) The "McCloud/Sargeant judgement".** This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach and adjustment has been reflected as a past service cost within staff costs and detailed in the notes. However following a consultation issued by MHCLG it is now considered that the McCloud adjustment applied to liabilities will be lower than previously expected. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **1. ACCOUNTING POLICIES - continued**

##### **Critical accounting judgements and key sources of estimation uncertainty**

(2) **Guaranteed Minimum Pension (GMP).** GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) **Discount rates.** There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) **Mortality assumptions.** Details of the changes in mortality assumptions are shown in the notes. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Charitable activities**

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

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **1. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:

Long leasehold	- Straight line over 125 years
Improvements to property	- Straight line over 50 years
Fixtures and fittings	- Straight line over 5 years and Straight line over 10 years
Computer equipment	- 33% on cost

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

##### **Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. 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 as detailed in the notes. 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.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **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 part 11, chapter 3 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.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.



## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **1. ACCOUNTING POLICIES - continued**

##### **Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement 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.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the 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.

##### **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 payment for the goods or services it must provide.

##### **Provisions**

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

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

##### **Hire purchase and leasing**

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

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Donations	-	63,401	63,401	25,082
Grants	-	1,521,430	1,521,430	834,457
	-	1,584,831	1,584,831	859,539

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
DFE Capital Grants	1,469,396	834,457
Local Authority - Other	52,034	-
	1,521,430	834,457

#### 3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
<b>DfE/ESFA grants</b>				
General Annual Grant(GAG)	-	7,664,206	7,664,206	5,810,579
Other DfE/ESFA grants	-	27,484	27,484	1,201
Start Up Grant	-	74,473	74,473	53,777
Universal Infant Free School Meals	-	244,108	244,108	202,457
Pupil Premium	-	623,326	623,326	403,338
Rates Reclaim	-	36,123	36,123	28,671
Teachers' Pay Grant	-	83,284	83,284	69,175
Teachers' Pension Grant	-	244,160	244,160	201,070
PE and Sports Grant	-	155,881	155,881	121,557
Covid Support Grant	-	155,041	155,041	7,498
School Improvement Grant	-	69,433	69,433	22,049
	-	9,377,519	9,377,519	6,921,372
<b>Other Government grants</b>				
Local Authority - SEN	-	377,812	377,812	226,011
Local Authority - Early Years	-	261,136	261,136	142,503
Local Authority - Other	-	68,663	68,663	21,648
Other	-	2,564	2,564	-
	-	710,175	710,175	390,162
<b>Non-government grants</b>				
Non government grants	-	79,000	79,000	123,001
<b>Other income from the academy's educational operations</b>	304,317	-	304,317	317,990
	304,317	10,166,694	10,471,011	7,752,525

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

Following changes to reporting requirements introduced in the Academies Accounts Direction 2020/21, a more detailed breakdown of grants receivable from DFE / ESFA and Local Authorities is given in the above note. Previously these grants have been amalgamated into larger sub-totals. The comparative figures have been restated accordingly but there has been no change to the total grant income as previously reported.

#### **4. OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	31.8.21 Total funds £	31.8.20 Total funds £
Hire of facilities	10,702	-	10,702	5,532
Uniform Income	5,282	-	5,282	2,482
Sale of goods & services	45,149	-	45,149	-
	<u>61,133</u>	<u>-</u>	<u>61,133</u>	<u>8,014</u>

#### **5. EXPENDITURE**

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	6,957,366	-	334,043	7,291,409	5,429,711
Allocated support costs	1,962,226	490,975	1,328,536	3,781,737	2,852,676
	<u>8,919,592</u>	<u>490,975</u>	<u>1,662,579</u>	<u>11,073,146</u>	<u>8,282,387</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21 £	31.8.20 £
Auditors' remuneration	28,405	20,055
Auditors' remuneration for non audit work	4,530	10,155
Depreciation - owned assets	<u>237,971</u>	<u>118,408</u>

#### **6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	143,228	7,148,181	7,291,409	5,429,711
Support costs	<u>10,858</u>	<u>3,770,879</u>	<u>3,781,737</u>	<u>2,852,676</u>
	<u>154,086</u>	<u>10,919,060</u>	<u>11,073,146</u>	<u>8,282,387</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.21	31.8.20
	Total	Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	1,962,226	1,515,196
Depreciation	237,972	118,405
Technology costs	223,157	185,672
Premises costs	455,801	394,657
Other support costs	869,646	608,536
Governance costs	32,935	30,210
<b>Total support costs</b>	<b>3,781,737</b>	<b>2,852,676</b>

#### 7. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Mr N M Dixon

- Remuneration - £85,000 - £90,000 (2020: £80,000 - £85,000)
- Employer's pension contributions paid - £20,000 - £25,000 (2020: £20,000 - £25,000)

##### **Trustees' expenses**

During the year, travel and subsistence expenses totalling £Nil (2020: £847) were reimbursed to three trustees.

#### 8. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	6,374,511	4,662,849
Social security costs	485,990	389,990
Operating costs of defined benefit pension schemes	2,016,854	1,463,130
	8,877,355	6,515,969
Agency teaching staff	33,735	72,1
Agency support staff	8,502	34,364
	<b>8,919,592</b>	<b>6,622,439</b>

##### **Non-Statutory/non-contractual staff severance payments**

Included in staff costs are non-statutory / non-contractual severance payments amounting to £750 (2020: £38,909). The payments in both 2021 and 2020 are single amounts.

The legal authority to make ex-gratia payments was in accordance with the guideline in the Academies Financial Handbook 2020, being either delegated authority or approval from the Education and Skills Funding Agency.

##### **Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on the reference and administrative page. 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 £957,253 (2020: £763,940).

With the expansion of the MAT, the definition of key management has been narrowed to include only the CEO and CFO of the MAT plus the school Head Teachers. The comparative amount given above has been restated accordingly.

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 8. STAFF COSTS - continued

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.21	31.8.20
Teachers	96	67
Administration and support staff	213	160
Management	10	13
	<u>319</u>	<u>240</u>

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

	31.8.21	31.8.20
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>5</u>	<u>4</u>

#### 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Fixed Asset Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	705	24,377	834,457	859,539
Transfer from Local Authority on conversion	-	(664,953)	179,350	(485,603)
<b>Charitable activities</b>				
Funding for the academy's educational operations	317,990	7,434,535	-	7,752,525
Other trading activities	<u>8,014</u>	<u>-</u>	<u>-</u>	<u>8,014</u>
<b>Total</b>	<u>326,709</u>	<u>6,793,959</u>	<u>1,013,807</u>	<u>8,134,475</u>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	<u>178,153</u>	<u>7,985,829</u>	<u>118,405</u>	<u>8,282,387</u>
<b>Total</b>	<u>178,153</u>	<u>7,985,829</u>	<u>118,405</u>	<u>8,282,387</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>148,556</u>	<u>(1,191,870)</u>	<u>895,402</u>	<u>(147,912)</u>
<b>Transfers between funds</b>	<u>-</u>	<u>(160,623)</u>	<u>160,623</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(202,000)</u>	<u>-</u>	<u>(202,000)</u>
<b>Net movement in funds</b>	<u>148,556</u>	<u>(1,554,493)</u>	<u>1,056,025</u>	<u>(349,912)</u>

# Chester Diocesan Academies Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2021

### 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Fixed Asset Fund £	Total funds £
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	252,694	(1,981,246)	827,476	(901,076)
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>401,250</u>	<u>(3,535,739)</u>	<u>1,883,501</u>	<u>(1,250,988)</u>

### 10. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
<b>COST</b>			
At 1 September 2020	59,936	877,639	419,081
Additions	-	1,464,347	43,193
Transfer to ownership	-	255,589	-
Transfer on conversion	-	-	107,454
At 31 August 2021	<u>59,936</u>	<u>2,597,575</u>	<u>569,728</u>
<b>DEPRECIATION</b>			
At 1 September 2020	2,902	256,383	144,749
Charge for year	<u>1,951</u>	<u>36,264</u>	<u>98,411</u>
At 31 August 2021	<u>4,853</u>	<u>292,647</u>	<u>243,160</u>
<b>NET BOOK VALUE</b>			
At 31 August 2021	<u>55,083</u>	<u>2,304,928</u>	<u>326,568</u>
At 31 August 2020	<u>57,034</u>	<u>621,256</u>	<u>274,332</u>

# Chester Diocesan Academies Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2021

### 10. TANGIBLE FIXED ASSETS - continued

	Computer equipment £	Assets under construction £	Totals £
<b>COST</b>			
At 1 September 2020	222,331	255,589	1,834,576
Additions	28,288	210,474	1,746,302
Transfer to ownership	-	(255,589)	-
Transfer on conversion	<u>76,552</u>	<u>-</u>	<u>184,006</u>
At 31 August 2021	<u>327,171</u>	<u>210,474</u>	<u>3,764,884</u>
<b>DEPRECIATION</b>			
At 1 September 2020	120,197	-	524,231
Charge for year	<u>101,345</u>	<u>-</u>	<u>237,971</u>
At 31 August 2021	<u>221,542</u>	<u>-</u>	<u>762,202</u>
<b>NET BOOK VALUE</b>			
At 31 August 2021	<u>105,629</u>	<u>210,474</u>	<u>3,002,682</u>
At 31 August 2020	<u>102,134</u>	<u>255,589</u>	<u>1,310,345</u>

### 11. STOCKS

	31.8.21 £	31.8.20 £
Clothing	<u>-</u>	<u>446</u>

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	45,898	-
VAT	49,895	72,439
Prepayments and accrued income	<u>870,127</u>	<u>967,010</u>
	<u>965,920</u>	<u>1,039,449</u>

# Chester Diocesan Academies Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2021

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 15)	19,036	-
Trade creditors	293,492	-
Social security and other taxes	128,316	105,286
Other creditors	-	30,530
Accruals and deferred income	<u>396,248</u>	<u>628,475</u>
	<u>837,092</u>	<u>764,291</u>

	2021	2020
	£000	£000
Deferred income brought forward	197	178
Released from previous years	(197)	(178)
Resources deferred in the year	<u>166</u>	<u>197</u>
Deferred income carried forward	<u>166</u>	<u>197</u>

At the balance sheet date the academy trust was holding funds of £166,264 received in advance of the next financial year relating to Rates Relief, Universal Infant Free School Meals, Early Years and Special Educational Needs.

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 15)	<u>158,522</u>	<u>-</u>

### 15. LOANS

An analysis of the maturity of loans is given below:

	31.8.21	31.8.20
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>19,036</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>19,035</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>57,108</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more than five years	82,379	-

Other loans include £40,449 from SALIX and £137,109 from ESFA which have been used to fund major school capital projects in conjunction with CIF grant funding.

ESFA CIF loans are repayable in equal instalments over 10 years at a rate of 1.8%. SALIX loans are interest free and repayable in equal instalments over 8 years.



## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Fixed Asset Fund £	31.8.21 Total funds £
Fixed assets	-	-	3,002,682	3,002,682
Current assets	612,613	1,341,195	824,447	2,778,255
Current liabilities	-	(590,217)	(246,875)	(837,092)
Long term liabilities	-	-	(158,522)	(158,522)
Pension liability	-	(6,500,000)	-	(6,500,000)
	<u>612,613</u>	<u>(5,749,022)</u>	<u>3,421,732</u>	<u>(1,714,677)</u>

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

	Unrestricted fund £	Restricted funds £	Fixed Asset Fund £	31.8.20 Total funds £
Fixed assets	-	-	1,310,345	1,310,345
Current assets	416,154	960,974	810,830	2,187,958
Current liabilities	(14,905)	(511,712)	(237,674)	(764,291)
Pension liability	-	(3,985,000)	-	(3,985,000)
	<u>401,249</u>	<u>(3,535,738)</u>	<u>1,883,501</u>	<u>(1,250,988)</u>

#### 17. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
<b>Restricted general funds</b>				
General Annual Grant	449,262	322,519	(61,847)	709,934
Other DfE/ESFA Grants	-	41,044	-	41,044
Donations	-	5,000	(5,000)	-
Fixed Asset Fund- Transfer on Conversion	308,624	28,980	-	337,604
Fixed Asset Fund - DfE/ESFA Capital Grants	1,447,671	1,464,998	11,993	2,924,662
Fixed Asset Fund - Capital Expenditure From GAG & Other non-capital income	127,206	(22,594)	54,854	159,466
Pension Reserve	<u>(3,985,000)</u>	<u>(2,515,000)</u>	-	<u>(6,500,000)</u>
	<u>(1,652,237)</u>	<u>(675,053)</u>	-	<u>(2,327,290)</u>
<b>Unrestricted fund</b>				
General fund	401,249	211,364	-	612,613
<b>TOTAL FUNDS</b>	<u>(1,250,988)</u>	<u>(463,689)</u>	-	<u>(1,714,677)</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	7,664,208	(7,341,689)	-	322,519
Other DfE/ESFA Grants	1,713,314	(1,672,270)	-	41,044
Donations	63,401	(58,401)	-	5,000
Other Government Grants	871,729	(871,729)	-	-
Other Restricted Income	79,000	(79,000)	-	-
Fixed Asset Fund- Transfer on Conversion	184,004	(155,024)	-	28,980
Fixed Asset Fund - DfE/ESFA Capital Grants	1,525,351	(60,353)	-	1,464,998
Fixed Asset Fund - Capital Expenditure From GAG & Other non-capital income	-	(22,594)	-	(22,594)
Pension Reserve	(553,000)	(658,000)	(1,304,000)	(2,515,000)
	<u>11,548,007</u>	<u>(10,919,060)</u>	<u>(1,304,000)</u>	<u>(675,053)</u>
<b>Unrestricted fund</b>				
General fund	365,450	(154,086)	-	211,364
	<u>11,913,457</u>	<u>(11,073,146)</u>	<u>(1,304,000)</u>	<u>(463,689)</u>

#### Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
<b>Restricted general funds</b>				
General Annual Grant	606,754	3,131	(160,623)	449,262
Fixed Asset Fund- Transfer on Conversion	189,131	105,760	13,733	308,624
Fixed Asset Fund - DfE/ESFA Capital Grants	563,195	804,614	79,862	1,447,671
Fixed Asset Fund - Capital Expenditure From GAG & Other non-capital income	75,150	(14,972)	67,028	127,206
Pension Reserve	(2,588,000)	(1,397,000)	-	(3,985,000)
	<u>(1,153,770)</u>	<u>(498,467)</u>	<u>-</u>	<u>(1,652,237)</u>
<b>Unrestricted fund</b>				
General fund	252,694	148,555	-	401,249
	<u>(901,076)</u>	<u>(349,912)</u>	<u>-</u>	<u>(1,250,988)</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	5,810,579	(5,807,448)	-	3,131
Other DfE/ESFA Grants	1,110,793	(1,110,793)	-	-
Donations	24,376	(24,376)	-	-
Other Government Grants	491,210	(491,210)	-	-
Other Restricted Income	123,001	(123,001)	-	-
Fixed Asset Fund- Transfer on Conversion	179,350	(73,590)	-	105,760
Fixed Asset Fund - DfE/ESFA Capital Grants	834,457	(29,843)	-	804,614
Fixed Asset Fund - Capital Expenditure From GAG & Other non-capital income	-	(14,972)	-	(14,972)
Pension Reserve	(766,000)	(429,000)	(202,000)	(1,397,000)
	<u>7,807,766</u>	<u>(8,104,233)</u>	<u>(202,000)</u>	<u>(498,467)</u>
<b>Unrestricted fund</b>				
General fund	326,709	(178,154)	-	148,555
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u>8,134,475</u>	<u>(8,282,387)</u>	<u>(202,000)</u>	<u>(349,912)</u>

#### Total fund analysis by academy

Fund balances at 31st August 2021 were allocated as follows:

	2021 £'000	2020 £'000
St Matthew's CofE Primary School	132	137
St Paul's CofE Primary School	142	92
Wybunbury Delves CofE Primary School	359	248
Brereton CofE Primary School	105	(2)
Moreton Christ Church CofE Primary School	194	91
Astbury St Mary's CofE Primary	17	82
Bredbury St Mark's CofE Primary School	129	32
Little Bollington CofE Primary School	109	52
St George's CofE Primary School	182	-
Utkinton St Paul's CofE Primary School	25	-
Central Services	(31)	118
	<u>                    </u>	<u>                    </u>
Total before fixed asset and pension reserve	1,363	850
Restricted fixed asset fund	3,422	1,884
Pension Reserve	(6,500)	(3,985)
	<u>                    </u>	<u>                    </u>
<b>Total Funds</b>	<u>(1,715)</u>	<u>(1,251)</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### 17. MOVEMENT IN FUNDS - continued

##### Total cost analysis by academy

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Services & Supplies £'000	Other costs (Excluding Depn) £'000	2021 £'000	2020 £'000
St Matthew's	781	129	59	161	1,130	1,056
St Paul's	945	149	34	139	1,267	1,300
Wybunbury	626	105	29	164	924	889
Brereton	631	111	48	153	943	894
Moreton	1,187	274	48	199	1,708	1,691
Astbury	418	61	9	98	586	494
Bredbury	679	125	37	159	1,000	672
Little						
Bollington	464	57	17	74	612	233
St George's	847	119	45	123	1,134	-
Utkinton	197	35	3	61	296	-
Central	149	129	-	299	577	502
LGPS Costs	-	658	-	-	658	429
Academy Trust	6,924	1,952	329	1,630	10,835	8,160

#### 18. PENSION AND SIMILAR OBLIGATIONS

The charity'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 West and Chester Council, Wirral Council and Thameside MBC. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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

##### Teachers' pension scheme

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.

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **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% administration levy)
- 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 next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £838,000 (2020 - £639,000).

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 charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

##### **Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £630,000 (2020: £470,000), of which employer's contributions totalled £487,000 (2020: £370,000), and employees' contributions totalled £143,000 (2020: £100,000). The agreed contribution rates for future years are between 17.6 and 22.2 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.21 £	31.8.20 £
Present value of funded obligations	(12,756,000)	(8,074,000)
Fair value of plan assets	<u>6,256,000</u>	<u>4,089,000</u>
	(6,500,000)	(3,985,000)
Present value of unfunded obligations	-	-
Deficit	<u>(6,500,000)</u>	<u>(3,985,000)</u>
Net liability	<u>(6,500,000)</u>	<u>(3,985,000)</u>

# Chester Diocesan Academies Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2021

### 18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	1,085,000	744,000
Net interest from net defined benefit asset/liability	81,000	134,000
Past service cost	3,000	1,000
	<u>1,169,000</u>	<u>879,000</u>
Actual return on plan assets	<u>737,000</u>	<u>(14,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	8,074,000	5,505,000
Current service cost	1,085,000	744,000
Past service cost	3,000	1,000
Contributions by scheme participants	141,000	98,000
Interest cost	166,000	120,000
Conversion of academy trusts	1,242,000	1,419,000
Benefits paid	(44,000)	(60,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	102,000	(48,000)
Actuarial (gains)/losses from changes in financial assumptions	2,124,000	89,000
Actuarial (gains)/losses based on experience	<u>(137,000)</u>	<u>206,000</u>
	<u>12,756,000</u>	<u>8,074,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	4,089,000	2,917,000
Conversion of academy trusts	689,000	653,000
Contributions by employer	511,000	389,000
Contributions by scheme participants	141,000	98,000
Expected return	737,000	(14,000)
Benefits paid	(46,000)	(62,000)
Interest Income	85,000	63,000
Assets other remeasurement	<u>50,000</u>	<u>45,000</u>
	<u>6,256,000</u>	<u>4,089,000</u>

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **18. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	(102,000)	48,000
Actuarial (gains)/losses from changes in financial assumptions	(2,124,000)	(89,000)
Actuarial (gains)/losses based on experience	137,000	(206,000)
Assets other remeasurement	50,000	45,000
	<u>(2,039,000)</u>	<u>(202,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	3,791,000	2,345,000
Bonds	1,549,000	1,078,000
Property	517,000	342,000
Cash	303,000	275,000
Other	96,000	49,000
	<u>6,256,000</u>	<u>4,089,000</u>

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

	31.8.21	31.8.20
Discount rate	1.70%	1.70%
Future salary increases	3.80%	3.20%
Future pension increases	2.90%	2.20%

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

Retiring today		
Males	20.8	20.8
Females	23.6	23.5
Retiring in 20 years		
Males	22.1	22.1
Females	25.5	25.2

## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **18. PENSION AND SIMILAR OBLIGATIONS - continued**

##### Sensitivity analysis

	31.8.21	31.8.20
	£	£
Discount rate +0.1%	-	-
Discount rate -0.1%	322	209
Mortality assumption - 1 year increase	498	-
Mortality assumption - 1 year decrease	-	-
CPI rate +0.1%	294	195
CPI rate -0.1%	-	-

The figures above for sensitivity analysis have been taken (where figures are available), from reports prepared by the actuaries.

#### **19. CONTINGENT LIABILITIES**

The Academy Trust has inherited a contractual dispute in relating to pay and holiday entitlement in respect of staff members transferred under TUPE from a local authority. The accounts include accruals for the estimated amounts payable in respect of the dispute but as the matter is ongoing, a contingent liability is disclosed.

#### **20. CAPITAL COMMITMENTS**

	31.8.21	31.8.20
	£	£
Contracted but not provided for in the financial statements	<u>604,000</u>	<u>753,000</u>

#### **21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	8,318	13,122
Between one and five years	<u>12,566</u>	<u>11,024</u>
	<u>20,884</u>	<u>24,146</u>

The operating lease rental expense for the year was £11,727 (2020: £15,817).

#### **22. RELATED PARTY DISCLOSURES**

Owing to the nature of the charitable company 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. The following related party transactions took place in the financial period.

Brad Donelan Sporting Enterprises Ltd provided PE coaching services to Christ Church Moreton C of E Primary School at a cost of £10,207 (2020: £5,744). A director of the company, Mr Brad Donelan, is the spouse of the school's Head Teacher who is a member of Key Management.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the charitable company's financial regulations and normal procurement procedures relating to connected and related party transactions.



## Chester Diocesan Academies Trust

### Notes to the Financial Statements - continued for the Year Ended 31 August 2021

#### **22. RELATED PARTY DISCLOSURES - continued**

Chester Diocesan Board of Education (CDBE) is a charitable company deemed to be related to the Academy Trust as explained in the Trustees' Report.

The CDBE provided the use of the various land and buildings of the schools, under a licence arrangement. It is deemed impractical to reasonably estimate the notional rent attributed for the use of the land and buildings. As a result, no notional rent has been included in the SOFA as a donation and expense.

During the year employees of CDBE carried out work on behalf of the academy trust for which no charge was made. Neither the academy nor CDBE recorded the amount of time spend by these employees and no monetary value has been allocated to the time spend.

CDBE provided the Academy with a grant of £75,000 (2020: £100,000) during the year.

#### **23. POST BALANCE SHEET EVENTS**

The following schools joined CDAT after the balance sheet date but prior to approval of the financial statements:

Bosley St Mary's C of E Primary School                      1 September 2021

#### **24. CONVERSION TO AN ACADEMY**

During the year two schools converted to academy status under the Academies Act 2010. The operations, assets and liabilities of these schools were transferred to Chester Diocesan Academies Trust for £Nil consideration.

School	Date of Transfer	Local Authority
St George's CofE Primary School	1 October 2020	Tameside
Utkinton St Paul's CofE Primary School	1 December 2020	Cheshire West and Chester

The substance of these transactions is that of a gift with the assets and liabilities recognised at fair value on the Balance Sheet under the appropriate heading and the corresponding amounts recognised as a gain or loss in the Statement of Financial Activities as a transfer from the local authority on conversion. The following tables set out the fair value of identifiable assets and liabilities transferred.

##### St George's CofE Primary School

	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>Tangible fixed assets</b>			
Fixtures, fittings and equipment	-	140	140
<b>Current assets</b>			
Surplus of local authority funds	167	-	167
<b>Non-current liabilities</b>			
LGPS pension deficit	(495)	-	(495)
	<u>(328)</u>	<u>140</u>	<u>(188)</u>

##### Utkinton St Paul's CofE Primary School

	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>Tangible fixed assets</b>			
Fixtures, fittings and equipment	-	44	44
<b>Current assets</b>			
Surplus / (deficit) of local authority funds	(5)	4	(1)

# Chester Diocesan Academies Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2021

### 24. CONVERSION TO AN ACADEMY - continued

<b>Non-current liabilities</b>			
LGPS pension deficit	(58)	-	(58)
	(63)	48	(15)
<b>Total for both schools</b>			
	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
<b>Tangible fixed assets</b>			
Fixtures, fittings and equipment	-	184	184
<b>Current assets</b>			
Surplus / (deficit) of local authority funds	162	4	166
<b>Non-current liabilities</b>			
LGPS pension deficit	(553)	-	(553)
	(391)	188	(203)