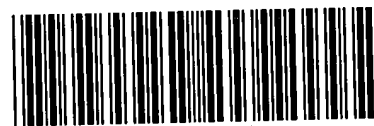


Company Registration No. 09201845 (England and Wales)

DIOCESE OF CHICHESTER ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

WEDNESDAY



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DIOCESE OF CHICHESTER ACADEMY TRUST

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DIOCESE OF CHICHESTER ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr B Adkins
Mr P Bowden
Rt. Revd W Hazelwood (Appointed 10 September 2020)
Ms G Higgins
The Venerable L T Irvine-Capel

Trustees

The Venerable L T Irvine-Capel (Chair of Trustees)
Mrs F A Chalk (Appointed 4 November 2020 and resigned 29 January 2021)
Mr T Cristin
Mrs A F Hamill
Mr P Hepburn (Appointed 4 November 2020)
Mr T J Manly
Mr W I G Payne
Mrs S D Phillips (Appointed 4 November 2020)
Mr J W Stanbridge (Appointed 4 November 2020)
Mr N Taunt (Chair of Education Strategy and Standards Committee)
Mr R V Webb (Chair of Audit & Resources) (Appointed 4 November 2020)
Reverend N Kinrade (Appointed 10 November 2021)

Senior management team

- CEO & Accounting Officer
- Deputy CEO - Finance & Operations (resigned August 2021)
- Deputy CEO - School Improvement
- Interim CFO (appointed August 2021)

Mr M Talbot
Mr D Carpenter

Mr B Berhane
Ms T Little

Company registration number

09201845 (England and Wales)

Registered office

Diocesan Church House
211 New Church Road
Hove
East Sussex
BN3 4ED

DIOCESE OF CHICHESTER ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
All Saints CofE Junior School	Hastings	Ms K Hurd
St Joseph's CE Junior School (FKA Central CofE Academy)	Chichester	Mrs L Hardy
Christ Church CofE Primary & Nursery Academy	St Leonards-on-Sea	Mrs S Singh and Mr R Thorne
St Catherine's College	Eastbourne	Mr S Berhane
St Leonard's CofE Primary Academy	St Leonards-on-Sea	Mr R White
St Paul's CofE Academy	St Leonards-on-Sea	Mr R White
The March CofE Primary School	Chichester	Mrs N Metcalfe
DCAT Centre	Hove	Mr M Talbot
St John's Meads CE Primary School	Eastbourne	Mrs K Weeks
St Columba CE Primary School	Fareham	Mrs T Marsh
St Joseph's Infant School (FKA Lancastrian Infant School)	Chichester	Mrs L Hardy
Sedlescombe CE Primary School	Battle	Mrs C Harvey
St Blasius Shanklin CofE Primary Academy	Shanklin	Mrs N Mobley
St Francis Catholic and CofE Primary Academy	Ventnor	Mr A Augustus
St James' CofE Primary Academy	Bournemouth	Mr J Payne

Independent auditor

Moore (South) LLP
City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

Bankers

Lloyds Bank Plc
PO Box 1000
BX1 1LT

Barclays Bank Plc
2nd Floor
90-92 High Street
Crawley
West Sussex
RH10 1BP

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates fourteen academies in East Sussex, West Sussex, Hampshire, Bournemouth, and The Isle of Wight and has a combined pupil capacity [PAN] of 5025 and a roll of 4665 in the internal data collection in July 2021. The difference between the PAN and roll is largely attributable to the historic PAN of three forms of entry at St Joseph's CE Junior School (formerly Central C of E Academy).

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trust consists of the following academies:

Name	Conversion date
All Saints Church of England (C of E) Junior Academy	1 February 2015
St Leonards C of E Academy	1 April 2015
St Paul's C of E Academy	1 August 2016
St Catherine's College	1 August 2016
Central C of E Academy (now St Joseph's CE Junior School)	1 November 2016
Christ Church C of E Primary and Nursery Academy	1 May 2017
The March C of E Primary School	1 December 2018
St Columba C of E Primary School	1 January 2020
St John's Meads C of E Primary School	1 February 2020
Lancastrian Infants (now St Joseph's Infant School)	1 January 2021
Sedlescombe C of E Primary School	1 January 2021
St Blasius Shanklin C of E Primary Academy	1 May 2021
St Francis Catholic and C of E Primary Academy	1 May 2021
St James' C of E Primary Academy	1 May 2021

The trustees of Diocese of Chichester Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Trust has purchased cover through the Department for Education Risk Protection Arrangement which includes Trustees' Liability and Employee and Third Party Dishonesty. The cost of these items is not separately identifiable. Every trustee is indemnified out of the assets of the company against any liability incurred in the capacity of trustee.

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Method of recruitment and appointment or election of trustees

The Members of Diocese of Chichester Academy Trust (DCAT) approve the appointment of trustees to the Diocese of Chichester Academy Trust (DCAT). The Members shall appoint no fewer than 5 Foundation Directors, at least one of whom shall be a member of the local clergy. The Members shall ensure at all times that the number of Foundation Directors exceeds the number of other Directors (including any Co-opted Directors). For further details on appointment of trustees, see Articles 50A – 52 of the Trust's Articles of Association.

Trustees are appointed taking account of the skills and expertise required to provide strategic direction for the Trust and to ensure that the Trust satisfies the statutory obligations as set out in the Academy Trust Handbook, which is published by the Education Skills and Funding Agency. Stated within the Articles of Association, the number of trustees shall not be less than three and shall not be subject to any maximum.

Policies and procedures adopted for the induction and training of trustees

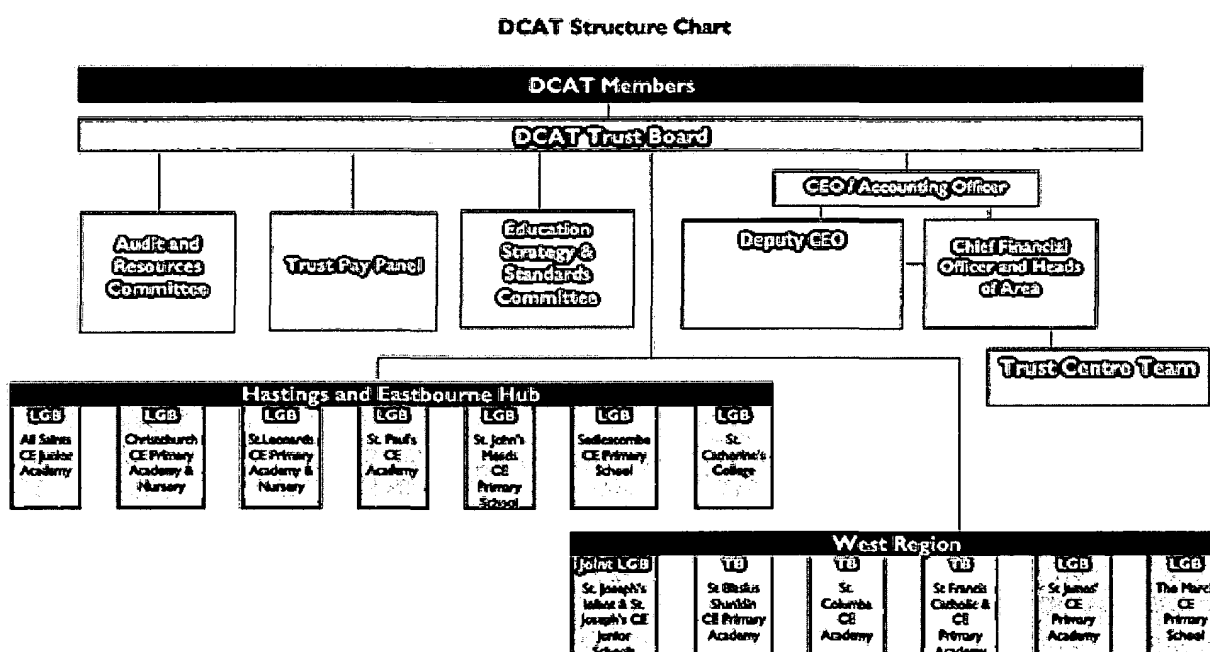
All trustees are provided with statutory information, policies and procedures, agendas and minutes, and financial reports to enable them to undertake their role as a trustee and have been involved in all aspects of the Board's activity as it develops. The Trust has provided access to on-line resources with associated training for trustees and governors of local governing bodies. The Trust's Head of Operations and Governance provides or procures in-house training as identified.

Organisational structure

The organisational structure of the Trust consists of the:

- Members (currently five members)
- Board of Trustees (currently 10 trustees)
- Local Governing Body or Transition Board for each academy (currently 90 governors)
- Audit and Resources Sub-Committee (from September 2021 now Audit and Risk)
- Education Strategy and Standards Sub-Committee

Figure 1 – DCAT organisational structure



Key: LGB = Local Governing Body, TB = Transition Board

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust met eight times in the year as a full board to consider a wide range of issues concerned with the strategic direction and operations of the multi-academy trust (MAT). Due to the worldwide pandemic, several meetings were held virtually. The Education Strategy and Standards Committee (ESSC) met four times in the year, considering the quality of education during the pandemic and receiving presentations from Headteachers and other leaders. The Audit and Resources Committee (A&R) met four times in the year, with a focus on managing the finances and resources during the challenging period of COVID-19, as well as how we managed risk during this period. The pay panel met three times during the year.

The Trust reviewed its model Scheme of Delegation in this period with a revised model being rolled out in September 2021. This was carried out in consultation with the Local Governing Bodies and Headteachers and agreed delegation for each of its academies. It explains the ways in which the trustees and local governing body members will fulfil their responsibilities for the leadership and management of the academies, the respective roles and responsibilities of the directors and the members of the local governing body and the commitments to each other to ensure the success of the academies. The local governing bodies or equivalents and academies operate within the limits stipulated in the Schemes of Delegation, which require budgets, pay review decisions, and some leadership post appointments to be approved by the trustees.

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

Day-to-day management at academy level is delegated to the Headteacher and Senior Leadership Teams in each academy. They are supported by the central MAT team. The current executive team, in addition to the Chief Executive Officer consists of a Deputy Chief Executive Officer (education). The Trust has a Chief Financial Officer who reports directly to the Chief Executive Officer.

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

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprise the trustees and senior management team as shared on page 1 of this document.

Remuneration of the Executive team and centre team is set at an individual level and the trustees have taken external professional advice which includes benchmarking and market sector trends. Progression is linked to performance management which is carried out with board involvement. The total remuneration package includes employer pension contributions.

The Trust Board always bears in mind the charitable status of the Trust and in recognition of this fact, the Trust receives funding under a funding agreement with the Secretary of State for Education. It therefore bases remuneration decision making on benchmarking to ensure sector parity and that salaries are fair, reasonable, and proportionate.

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.80

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	744
Total pay bill	13,255,462
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Engagement with employees

The Trust engages with its employees directly and through recognised employee unions. Specifically:

- All Local Governing Bodies have staff representation
- The Chief Executive Officer and wider executive and centre team regularly communicates with employees, directly and through Headteachers and other senior leaders within the schools.
- The Trust has a recognition agreement with the major teaching and support staff unions, and arranges at least annual joint consultative meetings to address collective matters
- The Trust has an Equalities Policy which demonstrates its commitment to employment, and the continued employment, of those who are or become disabled.

Related parties and other connected charities and organisations

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

The members of DCAT agree the appointment of trustees to the board of the Trust. DCAT has five members, including the current chairman of the Trust board, to ensure good communication between the two boards. The chairman of the DBE is currently the chairman of trustees of DCAT and a member of DCAT.

There is a relationship with the Diocese Board of Finance (DBF) which has historically provided a financial contribution to the Trust. No financial contribution has been provided since 2017-18.

DCAT is a sponsor organisation, as approved by the Department for Education. Three of the academies in the Trust have been sponsored by the trust to convert to academies to address the issues of underperformance inherent prior to conversion. The Trust received a further four academies which were 're-brokered' from a neighbouring Trust at the instigation of the Department for Education. Therefore, currently 50% are sponsored and 50% are non-sponsored convertor academies which have joined the Trust by choice.

DIocese OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Trust has a clearly stated vision which is *helping every child achieve their God-given potential*. This is underpinned by the bible verse 'I have come so that they may have life and have it to the full' John 10:10 which is also at the heart of the Church of England's vision for Education.

The Trust was set up with 4 stated aims. These are:

1. Developing the whole child means pupils achieve and maximise their potential
2. Continued development of staff is valued and improves education for young people
3. All schools are improving and perform above national expectations
4. The distinct Christian identity of each academy develops and is celebrated

Objectives, strategies and activities

The objectives during the seventh year of operation have been to continue to develop the Trust as a fully functioning multi-academy trust and limited company in line with statutory requirements and Department for Education best practice. The Trust is in the fourth year of our seven-year strategy which targets, by 2025, being a 'leading' Trust as defined by Sir David Carter's (former National Schools Commissioner) matrix. To support this the Trust has grown this year with 5 new schools joining.

To support the conversion and establishment of additional schools as academies, and to pursue opportunities for further conversions or associate partnerships with other schools and Trusts, the Trust is closely working with a number of schools wishing to convert to academy status within the Diocese of Chichester Academy Trust, with a small number on track to join during the 2021-22 academic year as set out in our agreed growth strategy.

In this period, to support our recent growth the Trust has developed its operation of business at the centre by:

- having an agreed strategy for growth which has been shared and supported by our Diocese and the Regional Schools Commissioner office, this includes our Associate Offer
- paying due regard to the Diocese Board of Education (DBE) Academy Policy and accompanying frequently asked questions documentation for schools/governing bodies
- securing Trust capacity grants from the DfE which have allowed us to fund a comprehensive review of our systems and processes across the Trust in advance of growth. This has been rolled out in September 2021
- strengthened our centre team offer by bringing our Human Resources (HR) function in-house, adding capacity to our finance team who provide finance support for three quarters of our schools and, excluding our DCEO, have doubled the school improvement capacity
- established working manuals (handbooks) for school improvement and finance to complement our general and governance handbooks

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

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

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

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

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

All Saints CE Junior Academy (converted 1 February 2015)

Summary

In this period the school has worked hard to build upon the strong external data (2019) helping the school deliver a high quality of education during COVID-19 lockdowns and to deliver a wide, enriching curriculum. The latest data includes the school achieving a ranking that puts them in the top 4% of schools for pupil progress.

The Headteacher continues to lead the Trust wide training and development work (CPD).

Last published DfE data

Progress score in reading, writing and maths

Reading

Above average 2.5

[More score details](#)

Writing

Above average 1.7

[More score details](#)

Maths

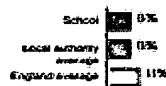
Above average 2.3

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating: Good SIAMs rating: Good

St Leonards CEP Academy (converted 1 April 2015)

Summary

In this period the school has appointed a new experienced Executive Headteacher and a new Head of School. The school is building on improvements made since the last Ofsted in January 2018 determined to reach a 'Good' Ofsted judgement for the first time.

Last published DfE data

Progress score in reading, writing and maths

Reading

Above average 2.5

[More score details](#)

Writing

Above average 1.7

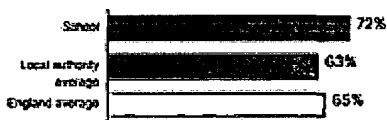
[More score details](#)

Maths

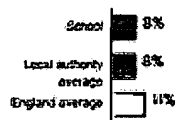
Above average 2.3

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating: Requires Improvement SIAMs rating: Good

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

St Paul's CE Academy (converted 1 August 2016)

Summary

The school voluntarily converted to academy status in 2016 as St Paul's was designated a 'Good' school at the point of conversion into the Trust. The anticipated inspection took place in March 2019 and secured 'Good' for all areas of judgement. The outcomes at KS2 continue to improve and are now significantly above national average. The progress rates have been transformed and disadvantaged groups are performing strongly in the academy.

Last published DfE data

Progress score in reading, writing and maths

Reading

Average

1.2

[More score details](#)

Writing

Average

0.5

[More score details](#)

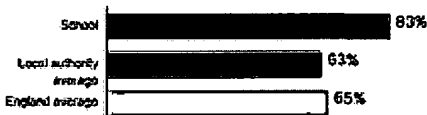
Maths

Above average

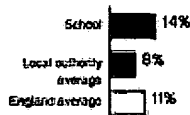
2.2

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Good

SIAMs rating

Good

St Catherine's College (converted 1 August 2016)

Summary

In this period, the school secured a 'Good' Ofsted judgement which reported the strong direction of travel led by the Headteacher and his team.

The school is looking forward to the resumption of external, published data as internal data for the past two years indicated that the school is now performing above national at every level.

Last published DfE data

Progress 8 score

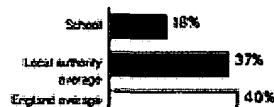
Of the 199 pupils at the end of key stage 4 in this school, 195 are included in this measure.

Below average

-0.41

[More score details](#)

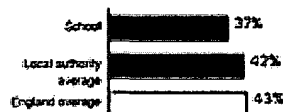
Entering EBacc



Staying in education or entering employment



Grade 5 or above in English & maths GCSEs



Ofsted rating

Good

SIAMs rating

Good

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

St Joseph's - previously Central CofE Academy (converted 1 November 2016)

Summary

In this period, the school continues to improve under strong executive leadership over the Junior and Infant provisions. The school is building upon significantly improved attainment outcomes. Internal data shows that progress has improved.

In this period the school is building on its previous Ofsted judgement of 'Requires Improvement' with good leadership and behaviour and the 'Good' SIAMs inspection.

The school changed its name to St Joseph's.

Last published DfE data

Progress score in reading, writing and maths

Reading

Well below average

-2.9

[More score details](#)

Writing

Below average

-2

[More score details](#)

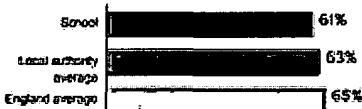
Maths

Below average

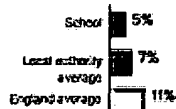
-2.1

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Requires Improvement

SIAMs rating

Good

Christ Church CE Primary & Nursery Academy (converted 1 May 2017)

Summary

In this period the school secured a 'Good' Ofsted rating, maintaining their Outstanding judgement for the nursery provision. The school was praised for its leaders and staff who 'work with determination to ensure that every pupil in this school succeeds'.

The strong model of co-Headship continues to embed. The last published data is strong in terms of attainment.

Last published DfE data

Progress score in reading, writing and maths

Reading

Average

0.1

[More score details](#)

Writing

Average

0.8

[More score details](#)

Maths

Average

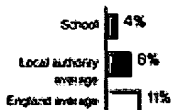
0.4

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Good

SIAMs rating

Outstanding

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The March CE Primary School (converted 1 December 2018)

Summary

The academy's 2019 pupil outcomes at KS2 expected standard are very strong, with 86% of children achieving expected standard in Reading, Writing and Maths combined. This is the strongest performance in Chichester for this measure. This was also a significant improvement on the then previous year's results of 64%.

Progress is strong particularly in Writing and Maths.

The local governing body chair is leading our Trust-wide Chairs of Governors hub.

Last published DfE data

Progress score in reading, writing and maths

Reading

Average 1.1

[More score details](#)

Writing

Well above average 2.6

[More score details](#)

Maths

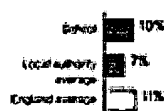
Above average 2.2

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Good

SIAMs rating

Good

St Columba C of E Primary School (transferred 1 January 2020)

Summary

The academy was re-brokered to DCAT from another Trust. It has undergone a period of change. Legacy outcomes are weak across the board.

The Trust has in place a transition board which provides Trust-led challenge and support for the school. The school is currently rated as 'Inadequate' by Ofsted and is incrementally improving.

Last published DfE data

Progress score in reading, writing and maths

Reading

Well below average -6.1

[More score details](#)

Writing

Well below average -3.3

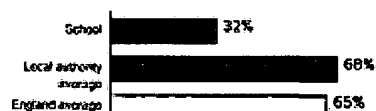
[More score details](#)

Maths

Well below average -4

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Inadequate

SIAMs rating

Good

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

St John's Meads C of E Primary School (converted 1 February 2020)

Summary

The school continues to improve and is being well led by the Headteacher and her team.

Attainment did improve in 2019 to meet the national average. However, progress remains below or well below average.

Last published DfE data

Progress score in reading, writing and maths

Reading

Well below average

-4.9

[More score details](#)

Writing

Well below average

-4.6

[More score details](#)

Maths

Below average

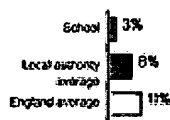
-2.9

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Good

SIAMs rating

Outstanding

Sedlescombe CE Primary School (converted 1 January 2021)

Summary

Attainment improved in 2019 to meet the national average. However, progress remains below or well below average.

The Headteacher and her team are leading the school well and are engaged with the support provided by the Trust.

Last published DfE data

Progress score in reading, writing and maths

Reading

Average

-1.7

[More score details](#)

Writing

Average

-1.7

[More score details](#)

Maths

Below average

-2.3

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating

Good

SIAMs rating

Outstanding

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Lancastrian Infant School – now St Joseph's Infants (converted 1 January 2021)

Summary

Lancastrian (now St Joseph's Infants) is a Good Ofsted rated school and joined DCAT during this period.

As an infant school with no KS2, there is no DfE published data for this school.

Last published DfE data

n/a

Ofsted rating	Good	SIAMs rating	n/a
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St Blasius Shanklin CofE Primary Academy (converted 1 May 2021)

Summary

St Blasius joined DCAT from another Diocesan MAT (Portsmouth and Winchester Diocese Academy Trust) which has now closed.

The last published data (2019) show that the school was underperforming with low attainment.

The school has a historic Ofsted rating of 'Good'.

Last published DfE data

Progress score in reading, writing and maths ?

Reading

Average -1.9

[More score details ?](#)

Writing

Below average -2.5

[More score details ?](#)

Maths

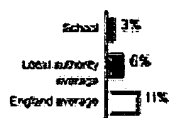
Average -1.9

[More score details ?](#)

Pupils meeting expected standard in reading, writing and maths ?



Pupils achieving at a higher standard in reading, writing and maths ?



Ofsted rating	Good	SIAMs rating	Good
---------------	------	--------------	------

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

St Francis Catholic and CofE Primary Academy (converted 1 May 2021)

Summary

St Francis joined DCAT from another Diocesan MAT (Portsmouth and Winchester Diocese Academy Trust) which has now closed.

The last published data (2019) show that the school was underperforming with low attainment and weak progress.

The school has a historic Ofsted rating of 'Inadequate' but early indications show an improved direction of travel.

Last published DfE data

Progress score in reading, writing and maths

Reading

Well below average -2.9

[More score details](#)

Writing

Average -0.8

[More score details](#)

Maths

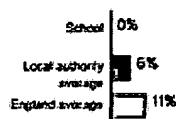
Below average -3

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating	Inadequate	SIAMs rating	Satisfactory
---------------	------------	--------------	--------------

St James' CE Primary Academy (converted 1 May 2021)

Summary

St James' joined DCAT from another Diocesan MAT (Portsmouth and Winchester Diocese Academy Trust) which has now closed.

The last published data (2019) show that the attainment dipped at 'expected standard' and that progress is around the national average.

The school has a 'Good' Ofsted rating.

Last published DfE data

Progress score in reading, writing and maths

Reading

Average -0.1

[More score details](#)

Writing

Average -1

[More score details](#)

Maths

Average -1.3

[More score details](#)

Pupils meeting expected standard in reading, writing and maths



Pupils achieving at a higher standard in reading, writing and maths



Ofsted rating	Good	SIAMs rating	Outstanding
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DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The principal source of income continues to be grant income from the Department for Education (DfE) via the Education Skills and Funding Agency (ESFA). The grants received during the year ended 31 August 2021 and the associated expenditure are shown in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and other agencies. These grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS 102. This is a nation-wide occurrence for Multi Academy Trusts and not particular to DCAT. At 31 August 2021, the deficit was £12,233,000. This compares to a £5,932,000 deficit in 2020. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme. Note 20 details the assumptions and movements during the year on the Scheme.

The funds balances as at 31 August 2021 for the academy trust were as follows:

Restricted general funds (excluding pension reserve)	£2,396,118
Fixed asset fund	£1,264,646
Unrestricted funds	£1,180,232

The in-year net movement in revenue funds was £1,478,368 which represents the change in balance of restricted general funds (excluding the pension reserve) and unrestricted funds.

Covid-19 has not materially changed the financial performance of the Trust during this period.

Reserves policy

The trustees of the Trust require a reserves' policy in order to protect their operations, establishing reserves that protect the operation of the Trust and contribute towards its smooth running. This is good practice and forms part of its overall financial control and governance framework. Levels of reserves which are too high tie up funds which should be spent on current activities for the benefit of the children.

The reserves policy assists in strategic planning by considering how new projects or activities will be funded, informs the budget process by considering whether reserves need to be utilised during the financial year, or built up for future projects and informs the budget and risk management process by identifying any areas of uncertainty in future income streams.

General reserves are to be maintained at a level so that when added to any current reserves set up by the academy, they are at least 5% of the gross income of the academies.

In 2020-21 DCAT reserves were 14% of the gross income of the academies. However, 9.7% were restricted funds so the spendable figure was 4.8%. We recognise that this 14% is higher than 5% and are actively seeking to bring this figure down by using the spendable figure to fund projects including Covid-19 recovery work.

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust has adopted the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks;
- The size of the reserves should balance the benefit of current spending with the risk the reserves cover;
- The purpose of the reserves should be transparent and maintain the link with the purpose for which the income was given;
- The purpose of the reserves should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues, and;
- Whilst the DfE require reserves to be limited to a level where its use in the future is known, there is an overriding need to ensure that value for money is achieved.

The following purposes are considered appropriate for a Multi-academy Trust:

- Current reserves that are established to manage known risks which are not insurable or where insurance does not provide value for money;
- Equalisation reserves set up to smooth out irregular spending;
- Specific capital reserves established in order to fund capital expenditure and other investments that would not be affordable if financed from a single year's funding;
- General reserve to provide for unexpected and unpredictable needs, and;
- Cashflow management reserves used to enable variable cash demands across the Trust or specific parts of the Trust to be managed.

Our overarching view is that reserves above the 5% of the gross income of academies should be used to support the quality of education in our schools and/or to develop the learning environment and infrastructure of our schools.

Further detail is included within the Reserves policy.

Details of funds held at the year end are included within the financial review section above.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements (note 18).

Investment policy

The Board is committed to ensuring that all funds under its control are administered in a way that promotes best practice, good stewardship and minimises risk. As the Trust grows and it is more likely that cash flow variations mean that it may be temporarily holding balances, for example specific capital projects, or pending decisions on future conversions, cash balances may at times warrant consideration of investment, however, the Trust does not currently consider the investment of surplus funds as a primary activity. As the Trust grows, it does expect to maintain larger balances and has therefore contracted a Wealth Manager, Carpenter Box LLP, to provide investment advice to the trustees in line with the administration objectives outlined above.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Audit and Resources Committee, which met four times during the year, reviewed the Risk Register at each meeting and made recommendations for changes.

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

A risk register has been established which identifies risks to the Trust and actions to mitigate the risks. The Audit and Resources Committee has terms of reference which include reviewing the risk register at least three times per year and making recommendations as necessary to the board on changes that may be required. In addition, the Board itself will conduct an annual review of the risk register.

The Trustees consider the principal risks facing the Trust to be:

- Reputational - failure to ensure that each school acts in accordance with the Trust's policies and meets its obligations with respect to safeguarding and health and safety
- Educational – failure to improve/maintain the quality of education in our schools
- Growth - failure to convert suitable schools into the Trust
- Pandemic (COVID-19) - failure to ensure that there are appropriate recovery plans in place

Financial and risk management objectives and policies

The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Fundraising

The Trust seeks out grants and other income streams but does not currently use any external fundraisers, or engage in direct fundraising activities.

Plans for future periods

Building upon and consolidating the recent Trust expansion, the Trust is cautiously pursuing further opportunities to expand in line with its seven-year growth strategy, including attracting Good and Outstanding schools, which it plans to achieve initial growth within the next two years. The associate model the Trust has developed will be used in the next audit period. Securing achieving additional schools is helpful in building even more in-house support for our schools and achieving economies of scale.

To reflect the changed nature of DCAT, a priority for the coming academic year is to ensure that the Trust has a financial model that is sustainable, fair and transparent. To support this, the following success criteria have been agreed (numbering relates to the Trust Priorities 2021-22 documentation):

2.1	A financial model is ready for launch by September 2022 that is evidence based, consulted upon and supports the sustainability of the Trust
2.2	The Trust grows by an equivalent of 4 forms of entry (with necessary capacity)
2.3	Staffing capacity is added to support recent and future growth
2.4	There is clarity for all on the value the MAT provides

Funds held as custodian trustee on behalf of others

The Trust does not act as a custodian trustee and hold funds on behalf of others.

DIOCESE OF CHICHESTER ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

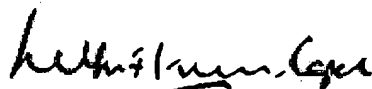
Auditor

In so far as the trustees are aware:

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

The auditors, Moore (South) LLP, have indicated their willingness to continue in office. On behalf of the Members, the Trust tendered for audit services in early 2019 and are scheduled to tender again in early 2022.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2021 and signed on its behalf by:



The Venerable L T Irvine-Capel
Chair of Trustees

DIOCESE OF CHICHESTER ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

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

Trustees	Meetings attended	Out of possible
The Venerable L T Irvine-Capel (Chair of Trustees)	8	8
Mrs F A Chalk (Appointed 4 November 2020 and resigned 29 January 2021)	3	4
Mr T Cristin	8	8
Mrs A F Hamill	6	8
Mr P Hepburn (Appointed 4 November 2020)	7	7
Mr T J Manly	8	8
Mr W I G Payne	8	8
Mrs S D Phillips (Appointed 4 November 2020)	6	7
Mr J W Stanbridge (Appointed 4 November 2020)	7	7
Mr N Taunt (Chair of Education Strategy and Standards Committee)	8	8
Mr R V Webb (Chair of Audit & Resources) (Appointed 4 November 2020)	7	7
Reverend N Kinrade (Appointed 10 November 2021)		

The Trust Board has recruited 5 new Trustees over the year. This recruitment was skills based and the new Trustees professional experience (e.g. chartered accountant, facilities manager, governance, HR and IT) complimented the skills of the existing Trustees, who have mainly education experience. The new Trustees undertook an induction programme, supported by the National Governors Association. Archdeacon Luke Irvine-Capel was appointed as new Chair of the Trust Board on 13 September 2019. The Trust undertook a skills audit which identified the skills and additional training required.

The evaluation is recorded in the Trust SEF and discussed with the Regional Schools Commissioner (RSC) at least annually.

The Trust have a Compliance Manager who ensures the Trust and constituent academies have in place and abide by the required policies. The Trust, through the Compliance Manager, has continued to identify further Trust-wide policies that it will draft for Board approval, alongside the review of the operational academy policies to ensure they are consistent and current.

In conjunction with the risk register, the policies provide a framework for financial and risk management. Risk registers within individual academies, that mirror the structure of the corporate register, have been rolled out and feed into the Trust's overall risk register. The Trust has commissioned an external review of risk during term 2 of the new academic year.

DIOCESE OF CHICHESTER ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Audit and Resources Committee

The Audit and Resource Committee is a sub-committee of the main board of trustees, and the trustees met four times during 2020-21. Its purpose is to:

- maintain an oversight of the academy trust's finance and governance; review risk management and internal control;
- review the value for money framework;
- consider multi-academy trust central staffing and other operational matters.

The trustees of the committee report its findings annually to the Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

The budgets are prepared on an annual basis by academies for approval by the Audit and Resources Committee. The Trust is minded to the requirements of the Academies Financial Handbook. Management accounts and cashflow forecasts are regularly produced with a narrative report on finance and operational issues for board meetings.

The Local Governing Bodies have delegated responsibilities on behalf of the Trust Board. The Trust Scheme of Delegation has been reviewed this year and implemented with effect from 1st September 2021. There are 2 schemes of delegation – minimum and maximum. The scheme of delegation that each academy is allocated is determined by the academy's POINTER rating, determined by the Academy Improvement Review meeting. Copies of the schemes of delegation are available on the Trust website.

Mr N Morris served as an associate member of the Audit and Resource Committee, attending 2 out of 4 possible meetings.

Full committee member attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
The Venerable L T Irvine-Capel (Chair of Trustees)	3	4
Mr P Hepburn (Appointed 4 November 2020)	3	3
Mr T J Manly	4	4
Mr W I G Payne	3	4
Mr N Taunt (Chair of Education Strategy and Standards Committee)	2	2
Mr R V Webb (Chair of Audit & Resources) (Appointed 4 November 2020)	3	3

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 academy 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:

- continuing to reduce, proportionally to the size of the Trust, the support costs to ensure more funds are spent on education focussed activities;
- continuing to centralise a number of business and administrative functions, resulting in greater cost and time efficiency;
- carrying out a number of staffing structure reviews and adjusting the staffing structure to better provide support for educational improvement whilst delivering good value for money.

DIOCESE OF CHICHESTER ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Diocese Of Chichester Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

- 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;
- identification and management of risks.

During the previous financial year, the board of trustees engaged a qualified firm of auditors to carry out the audit function. The internal auditors report directly to the Audit & Resources committee, and together with Executive Officers, advise on the principal focus of internal audit for the following 12 months.

Schedule of work was completed as planned and no material issues were raised. Only a number of low-level issues were highlighted which have since been resolved and will be included in the testing as part of the 2021/22 internal audit schedule.

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

- testing of purchases systems;
- testing of payroll systems;
- review of month end procedures;
- monitoring and maintenance of fixed asset registers;
- review of data and IT systems;
- and review of safeguarding and GDPR policies.

The internal auditor reports to the board of trustees through the audit and resources committee at least three times a year on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

DIOCESE OF CHICHESTER ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

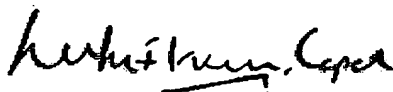
Review of effectiveness

As accounting officer the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and resources committee to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16 December 2021 and signed on its behalf by:



The Venerable L T Irvine-Capel
Chair of Trustees



Mr M Talbot
Accounting Officer

DIOCESE OF CHICHESTER ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Diocese of Chichester Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

16 December 2021

DIOCESE OF CHICHESTER ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Diocese of Chichester Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

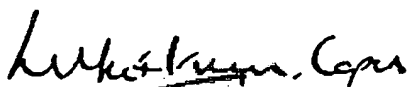
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 16 December 2021 and signed on its behalf by:



The Venerable L T Irvine-Capel
Chair of Trustees

DIOCESE OF CHICHESTER ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Diocese of Chichester Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 academy trust'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, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

DIOCESE OF CHICHESTER ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Academy Trust.

DIOCESE OF CHICHESTER ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- The risk associated with non-disclosure of related party transactions is deemed a significant risk, due to the number of related parties which could be unknown to the management team and the scrutiny around related party transactions by the ESFA.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Companies Act 2006, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council. We considered how the Academy Trust complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the Academy Trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of income received to supporting documentation and
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

DIOCESE OF CHICHESTER ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIOCESE OF CHICHESTER ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In response to the risk of irregularities with regards to non-disclosure of related parties we:

- completed analytical work, to include comparison with prior periods;
- obtained confirmation of material balances;
- agreed disclosures to source records, including approval; and
- reviewed minutes of governors meetings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

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

Use of our report

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

Louise Hastings (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

22 December 2021

Chartered Accountants
Statutory Auditor

City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

DIOCESE OF CHICHESTER ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 18 October 2019 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 Diocese of Chichester Academy 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 Diocese of Chichester Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Diocese of Chichester Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diocese of Chichester Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Diocese of Chichester Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statements on regularity, propriety, and compliance;
- analytical procedures on the general activities of the multi-academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

DIOCESE OF CHICHESTER ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF CHICHESTER ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Moore (South) LLP

Reporting Accountant

Moore (South) LLP
City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

Dated: *22/12/21*

DIOCESE OF CHICHESTER ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	10,622	88,969	914,097	1,013,688
Charitable activities:					
- Funding for educational operations	4	-	22,284,879	-	22,284,879
Other trading activities	5	698,813	609,517	-	1,308,330
Investments	6	31	-	-	31
Total		709,466	22,983,365	914,097	24,606,928
Expenditure on:					
Charitable activities:					
- Grants	9	-	534,954	-	534,954
- Educational operations	10	520,052	23,242,969	84,496	23,847,517
Charitable expenditure - transfer from local authority on conversion	26	(177,831)	298,491	(41,428)	79,232
Charitable expenditure - transfer of existing academy into the trust	26	(369,016)	2,942,000	(36,621)	2,536,363
Total	7	(26,795)	27,018,414	6,447	26,998,066
Net income/(expenditure)		736,261	(4,035,049)	907,650	(2,391,138)
Transfers between funds	18	(232,346)	543,502	(311,156)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,835,000)	-	(1,835,000)
Net movement in funds		503,915	(5,326,547)	596,494	(4,226,138)
Reconciliation of funds					
Total funds brought forward		676,317	(4,510,335)	668,152	(3,165,866)
Total funds carried forward		1,180,232	(9,836,882)	1,264,646	(7,392,004)

DIOCESE OF CHICHESTER ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2020 £
Income and endowments from:					
Donations and capital grants	3	9,898	35,917	679,380	725,195
Charitable activities:					
- Funding for educational operations	4	-	17,386,930	-	17,386,930
Other trading activities	5	622,025	682,348	-	1,304,373
Investments	6	1,380	-	-	1,380
Total		<u>633,303</u>	<u>18,105,195</u>	<u>679,380</u>	<u>19,417,878</u>
Expenditure on:					
Charitable activities:					
- Grants	9	-	269,152	-	269,152
- Educational operations	10	352,216	18,812,485	23,141	19,187,842
Charitable expenditure - transfer from local authority on conversion	26	(64,557)	210,782	(24,794)	121,431
Charitable expenditure - transfer of existing academy into the trust	26	(53,858)	610,769	(28,820)	528,091
Total	7	<u>233,801</u>	<u>19,903,188</u>	<u>(30,473)</u>	<u>20,106,516</u>
Net income/(expenditure)		399,502	(1,797,993)	709,853	(688,638)
Transfers between funds	18	(46,347)	332,388	(286,041)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,951,000)	-	(1,951,000)
Net movement in funds		353,155	(3,416,605)	423,812	(2,639,638)
Reconciliation of funds					
Total funds brought forward		323,162	(1,093,730)	244,340	(526,228)
Total funds carried forward		<u>676,317</u>	<u>(4,510,335)</u>	<u>668,152</u>	<u>(3,165,866)</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		278,027		74,574
Current assets					
Debtors	15	640,686		505,872	
Cash at bank and in hand		5,318,219		3,412,114	
		5,958,905		3,917,986	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,395,936)		(1,226,426)	
Net current assets			4,562,969		2,691,560
Net assets excluding pension liability			4,840,996		2,766,134
Defined benefit pension scheme liability	20		(12,233,000)		(5,932,000)
Total net liabilities			(7,392,004)		(3,165,866)
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			1,264,646		668,152
- Restricted income funds			2,396,118		1,421,665
- Pension reserve			(12,233,000)		(5,932,000)
Total restricted funds			(8,572,236)		(3,842,183)
Unrestricted income funds	18		1,180,232		676,317
Total funds			(7,392,004)		(3,165,866)

The accounts on pages 31 to 62 were approved by the trustees and authorised for issue on 16 December 2021 and are signed on their behalf by:



The Venerable L T Irvine-Capel
Chair of Trustees

Company Number 09201845

DIOCESE OF CHICHESTER ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21	628,722		340,789	
Cash funds transferred on conversion		614,583		188,595	
		<u>1,243,305</u>		<u>529,384</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments	31			1,380	
Capital grants from DfE Group	914,097			679,380	
Purchase of tangible fixed assets	(251,328)			(50,870)	
		<u></u>		<u></u>	
Net cash provided by investing activities		662,800		629,890	
		<u></u>		<u></u>	
Net increase in cash and cash equivalents in the reporting period		1,906,105		1,159,274	
Cash and cash equivalents at beginning of the year		3,412,114		2,252,840	
		<u></u>		<u></u>	
Cash and cash equivalents at end of the year		<u>5,318,219</u>		<u>3,412,114</u>	

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

Both the conversion from a state maintained school to an academy trust and the transfer of a new or existing academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion and rebrokerage to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26 and note 27.

1.4 Income

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

Grants

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

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

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2021. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	914,097	914,097	679,380
Other donations	10,622	88,969	99,591	45,815
	<u>10,622</u>	<u>1,003,066</u>	<u>1,013,688</u>	<u>725,195</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	17,772,561	17,772,561	14,390,668
Other DfE/ESFA grants:				
UFSM	-	343,152	343,152	279,802
Pupil premium	-	1,469,179	1,469,179	1,263,123
Start up grants	-	190,000	190,000	-
Teachers pension grant	-	635,980	635,980	519,179
Others	-	784,484	784,484	706,665
	-	21,195,356	21,195,356	17,159,437
Other government grants				
Local authority grants	-	517,599	517,599	184,855
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	301,530	301,530	-
Other DfE/ESFA COVID-19 funding	-	216,922	216,922	-
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	31,482	31,482	42,638
Other COVID-19 funding	-	21,990	21,990	-
	-	571,924	571,924	42,638
Total funding	-	22,284,879	22,284,879	17,386,930

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Covid-19 additional funding".

The academy furloughed some of its nursery, wraparound and catering staff under the government's CJRS. The funding received relates to staff costs in respect of support staff which are included in note 11 below as appropriate.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	31,285	-	31,285	37,119
Catering income	140,763	-	140,763	158,099
Trip income	-	128,054	128,054	362,559
Other income	526,765	481,463	1,008,228	746,596
	<u>698,813</u>	<u>609,517</u>	<u>1,308,330</u>	<u>1,304,373</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other investment income	31	-	31	1,380
	<u>31</u>	<u>-</u>	<u>31</u>	<u>1,380</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	15,343,024	84,496	1,384,291	16,811,811	13,915,012
- Allocated support costs	3,517,189	1,613,954	1,904,563	7,035,706	5,272,830
Grants - support costs	-	534,954	-	534,954	269,152
	<u>18,860,213</u>	<u>2,233,404</u>	<u>3,288,854</u>	<u>24,382,471</u>	<u>19,456,994</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	18,000	14,720
- Other services	8,000	8,880
Operating lease rentals	57,032	79,655
Depreciation of tangible fixed assets	84,496	23,141
Net interest on defined benefit pension liability	125,000	60,000
	<u>292,528</u>	<u>286,396</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

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

- educational improvement;
- administrative support;
- finance;
- payroll and HR services;
- governance; and
- statutory compliance.

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

Between 3% - 7% of General Annual Grant, based on OFSTED categorisation.

The amounts charged during the year were as follows:	2021 £	2020 £
All Saints CofE Junior School	47,533	47,240
St Joseph's CE Junior School (FKA Central CofE Academy)	42,690	40,668
Christ Church CofE Primary & Nursery Academy	89,621	81,741
St Catherine's College	166,283	158,711
St Leonard's CofE Primary Academy	102,931	95,672
St Paul's CofE Academy	123,307	115,555
The March CofE Primary School	40,761	39,869
DCAT Centre	-	-
St John's Meads CE Primary School	41,569	23,194
St Columba CE Primary School	56,762	41,462
St Joseph's Infant School (FKA Lancastrian Infant School)	15,326	-
Sedlescombe CE Primary School	30,072	-
St Blasius Shanklin CofE Primary Academy	19,663	-
St Francis Catholic and CofE Primary Academy	20,942	-
St James' CofE Primary Academy	36,400	-
	<u>833,860</u>	<u>644,112</u>

9 Analysis of grant expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Improvements to diocesan property occupied by the academy trust	-	534,954	534,954	269,152
	<u>-</u>	<u>534,954</u>	<u>534,954</u>	<u>269,152</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	361,838	16,449,973	16,811,811	13,915,012
Support costs				
Educational operations	158,214	7,412,446	7,570,660	5,541,982
	<u>520,052</u>	<u>23,862,419</u>	<u>24,382,471</u>	<u>19,456,994</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Charitable activities

(Continued)

Analysis of costs	2021 £	2020 £
Direct costs		
Teaching and educational support staff costs	15,395,668	12,555,243
Depreciation	84,496	23,141
Technology costs	46,733	-
Educational supplies and services	642,858	630,085
Examination fees	89,493	99,128
Educational consultancy	403,009	244,856
Other direct costs	149,554	362,559
	<u>16,811,811</u>	<u>13,915,012</u>
Support costs		
Support staff costs	3,629,716	2,631,641
Technology costs	252,098	248,388
Maintenance of premises and equipment	1,225,565	736,869
Cleaning	309,875	213,237
Energy costs	289,309	261,781
Rent, rates and other occupancy costs	121,244	96,397
Insurance	116,172	92,151
Security and transport	86,743	58,886
Catering	605,351	569,758
Finance costs	125,000	60,000
Legal costs	436,028	329,930
Other support costs	332,272	211,642
Governance costs	41,287	31,302
	<u>7,570,660</u>	<u>5,541,982</u>

Included within maintenance of premises and equipment is £534,954 (2020: £269,152) relating to improvements to Diocesan property. Amounts have been funded by capital DfE funding.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	13,255,462	10,736,927
Social security costs	1,189,581	954,265
Pension costs	4,090,098	3,237,371
Staff costs - employees	18,535,141	14,928,563
Agency staff costs	289,521	198,785
Staff restructuring costs	35,551	24,120
	18,860,213	15,151,468
Staff development and other staff costs	165,171	35,416
Total staff expenditure	19,025,384	15,186,884
Staff restructuring costs comprise:		
Redundancy payments	35,551	24,120

Non statutory/non-contractual staff severance payments

The total value of non-statutory/non-contractual severance payments in year was £nil (2020: £nil).

Staff numbers

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

	2021 Number	2020 Number
Teaching staff	253	188
Teaching support	210	160
Support staff	228	150
	691	498

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
Between £60,001 - £70,000	12	6
Between £70,001 - £80,000	2	2
Between £80,001 - £90,000	3	2
Between £90,001 - £100,000	3	2
Between £100,001 - £110,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £375,327 (2020: £367,505).

12 Trustees' remuneration and expenses

During the year ended 31 August 2021, no trustees received any remuneration or other benefits from an employment with the Trust (2020: £nil).

Expenses totalling £108 were paid to 1 trustee in respect of travel and subsistence (2020: £210 - 3 trustees).

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim. The cover is provided by the Trust's membership of the RPA scheme and the individual cost relating to the Trustees cannot be reliably quantified. The cost of this insurance is included in the total insurance cost.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2020	55,112	56,814	11,250	123,176
Additions	230,454	57,495	-	287,949
At 31 August 2021	285,566	114,309	11,250	411,125
Depreciation				
At 1 September 2020	6,465	37,918	4,219	48,602
Charge for the year	65,356	16,327	2,813	84,496
At 31 August 2021	71,821	54,245	7,032	133,098
Net book value				
At 31 August 2021	213,745	60,064	4,218	278,027
At 31 August 2020	48,647	18,896	7,031	74,574

The freehold of the Trust land and buildings are owned by either the Diocese of Chichester (the Diocese Board of Finance); the Diocese of Portsmouth and Winchester (the Diocesan Board of Finance); or by the vicar and church wardens in Trust.

The Academy Trust holds its sites under a licence. The Supplemental Agreement includes the right for the Diocesan Trustees to give not less than 2 years' written notice to the Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements. In accordance with the terms of the Supplemental Agreement with both the Diocese of Chichester and the Diocese of Portsmouth and Winchester, the Trust pays no rent. A notional rent value has not been included in the financial statements as it cannot be reliably measured at this stage.

The Diocese retain ownership and control of the schools' sites and so this does not meet the definition of a fixed asset. As a result, no transfer on conversion has been recognised in respect of land and buildings in the accounts for converted or re-brokered schools joining the Trust.

15 Debtors

	2021 £	2020 £
Trade debtors	34,163	31,309
VAT recoverable	232,126	159,654
Other debtors	13,531	34,577
Prepayments and accrued income	360,866	280,332
	<u>640,686</u>	<u>505,872</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	486,959	516,147
Other taxation and social security	326,621	236,037
Other creditors	150,251	152,592
Accruals and deferred income	432,105	321,650
	<u>1,395,936</u>	<u>1,226,426</u>

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>304,170</u>	<u>201,903</u>
Deferred income at 1 September 2020	201,903	252,044
Released from previous years	(201,903)	(252,044)
Resources deferred in the year	<u>304,170</u>	<u>201,903</u>
Deferred income at 31 August 2021	<u>304,170</u>	<u>201,903</u>

The academy received the following income and funding in relation to 2020/21 which has been deferred into the next academic year:

Rates	£ 63,594
Free School Meals	£109,397
Trips	£ 63,583
ESCC Central services block	£ 60,894
Others	£ 6,702

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	263,131	17,772,561	(17,379,530)	-	656,162
Start up grants	13,797	190,000	(99,451)	-	104,346
UIFSM	-	343,152	(247,287)	-	95,865
Pupil premium	356,148	1,469,179	(1,242,681)	-	582,646
Catch-up premium	-	301,530	(161,903)	-	139,627
Other DfE/ESFA COVID-19 funding	-	216,922	(216,922)	-	-
Coronavirus job retention scheme grant	-	31,482	(31,482)	-	-
Other Coronavirus funding	-	21,990	(21,990)	-	-
Other DfE/ESFA grants	564,626	784,484	(819,442)	-	529,668
Other government grants	-	517,599	(517,599)	-	-
Teachers pay grant	-	635,980	(635,980)	-	-
Other restricted funds	223,963	698,486	(1,178,147)	543,502	287,804
Pension reserve	(5,932,000)	-	(4,466,000)	(1,835,000)	(12,233,000)
	<u>(4,510,335)</u>	<u>22,983,365</u>	<u>(27,018,414)</u>	<u>(1,291,498)</u>	<u>(9,836,882)</u>
Restricted fixed asset funds					
Inherited on conversion	-	-	78,049	(78,049)	-
DfE group capital grants	668,152	914,097	(84,496)	(233,107)	1,264,646
	<u>668,152</u>	<u>914,097</u>	<u>(6,447)</u>	<u>(311,156)</u>	<u>1,264,646</u>
Total restricted funds	<u>(3,842,183)</u>	<u>23,897,462</u>	<u>(27,024,861)</u>	<u>(1,602,654)</u>	<u>(8,572,236)</u>
Unrestricted funds					
General funds	<u>676,317</u>	<u>709,466</u>	<u>26,795</u>	<u>(232,346)</u>	<u>1,180,232</u>
Total funds	<u>(3,165,866)</u>	<u>24,606,928</u>	<u>(26,998,066)</u>	<u>(1,835,000)</u>	<u>(7,392,004)</u>

DIocese of Chichester Academy Trust

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

Restricted Revenue Funds

The General Annual Grant (GAG) represents the core funding for the educational activities of the schools that has been provided to the Trust via the Education and Skills Funding Agency (ESFA) by the Department of Education (DfE). Funds carried forward are to help meet the Academy Trust's running costs in future years.

Start up grants; UIFSM; Pupil Premium; Catch-up Premium; Other DfE/ESFA Covid-19 funding; Other DfE/ESFA grants; and Teachers' Pension grants represent funding received via the ESFA by the DfE. The relevant restricted expenditure has been allocated through this fund. Grants are also used to fund the Academy's operating costs. Unspent balances carried forward at the year end as above.

Other government and other restricted grants are to be used for funding the Academy's operating costs as well as towards the costs of providing special educational needs.

Pension reserve

The pension reserve relates to the Academy Trust's share of the Local Government Pension Scheme.

Restricted fixed asset fund

DfE group capital funds are to be used to improvement buildings and other faculties, including ICT or capital repairs. The carried forward balance at the year end represents the net book value of tangible fixed assets as detailed per note 14, £278,027, carried forward unspent DFC income of £254,438, and carried forward unspent SCA funding of £732,181.

Unrestricted funds

Unrestricted reserves represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

In year transfers

In year transfers have been made in respect of the following:

LGPS actuarial valuations, £1,877,000

Unrestricted and restricted fund transfers to support fixed asset capital additions not funded by either DFC income of SCA income, £232,346 unrestricted, £16,299 restricted.

£559,802 transferred from other restricted funds to the restricted fixed asset funds to account for non-capitalised expenditure derived from Devolved Formula Capital, Condition Improvement Funding and School Condition Allocation funding.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	235,423	14,390,668	(14,362,960)	-	263,131
Start up grants	13,797	-	-	-	13,797
UIFSM	-	279,802	(279,802)	-	-
Pupil premium	-	1,263,123	(906,975)	-	356,148
Other DfE/ESFA grants	788,006	706,665	(950,676)	20,631	564,626
Other government grants	-	227,493	(227,493)	-	-
Teachers pay grant	-	519,179	(519,179)	-	-
Other restricted funds	143,044	704,264	(935,102)	311,757	223,963
Pension reserve	(2,274,000)	-	(1,707,000)	(1,951,000)	(5,932,000)
	<u>(1,093,730)</u>	<u>18,091,194</u>	<u>(19,889,187)</u>	<u>(1,618,612)</u>	<u>(4,510,335)</u>
Restricted fixed asset funds					
Transfer on conversion	-	-	24,794	(24,794)	-
DfE group capital grants	244,340	679,380	5,679	(261,247)	668,152
	<u>244,340</u>	<u>679,380</u>	<u>30,473</u>	<u>(286,041)</u>	<u>668,152</u>
Total restricted funds	<u>(849,390)</u>	<u>18,770,574</u>	<u>(19,858,714)</u>	<u>(1,904,653)</u>	<u>(3,842,183)</u>
Unrestricted funds					
General funds	323,162	633,303	(233,801)	(46,347)	676,317
Total funds	<u>(526,228)</u>	<u>19,403,877</u>	<u>(20,092,515)</u>	<u>(1,951,000)</u>	<u>(3,165,866)</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
All Saints CofE Junior School	173,608	85,673
St Joseph's CE Junior School (FKA Central CofE Academy)	(55,301)	(40,572)
Christ Church CofE Primary & Nursery Academy	441,154	295,597
St Catherine's College	886,572	426,785
St Leonard's CofE Primary Academy	287,237	356,285
St Paul's CofE Academy	187,822	75,751
The March CofE Primary School	130,393	114,217
DCAT Centre	797,221	599,575
St John's Meads CE Primary School	93,790	87,545
St Columba CE Primary School	57,806	97,126
St Joseph's Infant School (FKA Lancastrian Infant School)	40,086	-
Sedlescombe CE Primary School	168,778	-
St Blasius Shanklin CofE Primary Academy	116,788	-
St Francis Catholic and CofE Primary Academy	168,105	-
St James' CofE Primary Academy	82,291	-
Total before fixed assets fund and pension reserve	3,576,350	2,097,982
Restricted fixed asset fund	1,264,646	668,152
Pension reserve	(12,233,000)	(5,932,000)
Total funds	(7,392,004)	(3,165,866)

St Joseph's CE Junior School (FKA Central CofE Academy) is carrying a net deficit of £55,301. The school was in special measures prior to joining the trust. This has significantly impacted on pupil numbers over the past few years and as a result the school is currently in a deficit situation. The school has since been taken out of Special Measures and pupil numbers have begun to increase and is expected to rise over the next 2 years. The trust has worked closely with the school to improve finances and over the next 3 years the school is working hard to produce in-year surplus balances to reduce the historical deficit.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
All Saints CofE Junior School	784,987	91,717	64,039	131,812	1,072,555	1,071,100
St Joseph's CE Junior School (FKA Central CofE Academy)	613,954	60,455	36,718	170,467	881,594	833,652
Christ Church CofE Primary & Nursery Academy	1,686,113	178,851	168,180	227,257	2,260,401	2,296,289
St Catherine's College	4,335,684	808,247	452,934	780,177	6,377,042	6,192,933
St Leonard's CofE Primary Academy	1,515,397	152,671	79,630	427,036	2,174,734	2,013,071
St Paul's CofE Academy	2,246,444	290,353	67,323	488,658	3,092,778	2,989,562
The March CofE Primary School	690,169	61,335	56,417	131,176	939,097	958,467
DCAT Centre	327,848	493,440	174,374	773,048	1,768,710	1,027,867
St John's Meads CE Primary School	687,362	78,384	33,576	202,902	1,002,224	510,334
St Columba CE Primary School	723,209	85,660	74,217	140,640	1,023,726	682,579
St Joseph's Infant School (FKA Lancastrian Infant School)	258,549	53,209	17,693	77,629	407,080	-
Sedlescombe CE Primary School	536,361	62,440	35,269	86,890	720,960	-
St Blasius Shanklin CofE Primary Academy	237,549	44,356	21,639	46,873	350,417	-
St Francis Catholic and CofE Primary Academy	300,369	58,837	25,891	47,790	432,887	-
St James' CofE Primary Academy	451,675	58,762	23,741	83,592	617,770	-
	<u>15,395,670</u>	<u>2,578,717</u>	<u>1,331,641</u>	<u>3,815,947</u>	<u>23,121,975</u>	<u>18,575,854</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	278,027	278,027
Current assets	1,180,232	3,792,054	986,619	5,958,905
Creditors falling due within one year	-	(1,395,936)	-	(1,395,936)
Defined benefit pension liability	-	(12,233,000)	-	(12,233,000)
Total net assets	1,180,232	(9,836,882)	1,264,646	(7,392,004)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	74,574	74,574
Current assets	676,318	2,648,090	593,578	3,917,986
Creditors falling due within one year	-	(1,226,426)	-	(1,226,426)
Defined benefit pension liability	-	(5,932,000)	-	(5,932,000)
Total net assets	676,318	(4,510,336)	668,152	(3,165,866)

20 Pension and similar obligations

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

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

Introduction

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

The TPS is an unfunded scheme 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.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019.

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,959,189 (2020: £1,643,331).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are as follows:

West Sussex:

Employers 21.2% (Central CE Academy); 23.7% (The March CE Primary School)
Employees 5-9% average across all West Sussex school sites

East Sussex:

Employers 24.4% (all East Sussex school sites)
Employees 5-9% average across all East Sussex school sites

Hampshire (St Columba CE Primary Academy):

Employers 18.9%
Employees 5-9%

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

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

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

Total contributions made	2021 £	2020 £
Employer's contributions	1,052,000	861,000
Employees' contributions	272,000	192,000
Total contributions	1,324,000	1,053,000

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.5	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.3	22.3
- Females	24.3	24.5
Retiring in 20 years		
- Males	23.6	23.5
- Females	26.1	26.1

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

	2021	2020
Discount rate -0.5%	3,870,000	2,415,000
Salary increase rate +0.5%	280,000	216,000
Mortality assumption + 1 year	5,154,000	
Pension increase rate +0.5%	3,520,000	2,158,000

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	13,534,470	8,759,600
Bonds	3,348,140	2,302,470
Property	1,383,740	957,390
Cash and other liquid assets	876,650	350,540
Total market value of assets	19,143,000	12,370,000

The actual return on scheme assets was £2,160,000 (2020: £3,688,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	1,051,000	798,000
Past service cost	-	11,000
Interest income	(243,000)	(149,000)
Interest cost	368,000	209,000
Benefit changes, curtailments and settlements gains or losses	-	(11,000)
Total operating charge	1,176,000	858,000

Changes in the present value of defined benefit obligations	2021 £
At 1 September 2020	18,302,000
Obligations acquired on conversion	6,761,000
Current service cost	2,112,000
Interest cost	359,000
Employee contributions	272,000
Actuarial loss	3,752,000
Benefits paid	(182,000)
At 31 August 2021	31,376,000

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20	Pension and similar obligations	(Continued)		
Changes in the fair value of the academy trust's share of scheme assets				
		2021 £		
	At 1 September 2020	12,370,000		
	Assets acquired on conversion	3,471,000		
	Interest income	243,000		
	Actuarial gain	1,917,000		
	Employer contributions	1,052,000		
	Employee contributions	272,000		
	Benefits paid	(182,000)		
	At 31 August 2021	19,143,000		
21	Reconciliation of net expenditure to net cash flow from operating activities			
		2021 £	2020 £	
	Net expenditure for the reporting period (as per the statement of financial activities)	(2,391,138)	(688,638)	
	Adjusted for:			
	Net deficit on conversion to academy	79,232	121,431	
	Net deficit on transfer of academy in the trust	2,536,363	528,091	
	Capital grants from DfE and other capital income	(914,097)	(679,380)	
	Investment income receivable	(31)	(1,380)	
	Defined benefit pension costs less contributions payable	1,051,000	798,000	
	Defined benefit pension scheme finance cost	125,000	60,000	
	Depreciation of tangible fixed assets	84,496	23,141	
	(Increase) in debtors	(134,814)	(44,814)	
	Increase in creditors	169,510	242,275	
	Stocks, debtors and creditors transferred on conversion	23,201	(17,937)	
	Net cash provided by operating activities	628,722	340,789	
22	Analysis of changes in net funds			
		1 September 2020 £	Cash flows £	31 August 2021 £
	Cash	3,412,114	1,906,105	5,318,219

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	50,930	57,032
Amounts due in two and five years	72,478	38,810
	<u>123,408</u>	<u>95,842</u>

24 Related party transactions

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

No trustees' received any remuneration in the year. Details of trustees' expenses are disclosed per note 12.

25 Members' liability

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

26 Conversion to an academy

As detailed below, these schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust from East Sussex and West Sussex County Councils for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as charitable activities – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
St Joseph's Infant School (FKA Lancastrian Infant School)	Chichester	1 December 2020
Sedlescombe CE Primary School	Battle	1 December 2020

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Conversion to an academy

(Continued)

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Net assets transferred:				
Cash	177,831	63,509	41,428	282,768
Pension scheme deficit	-	(362,000)	-	(362,000)
	<u>177,831</u>	<u>(298,491)</u>	<u>41,428</u>	<u>(79,232)</u>
	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	41,428	41,428
LA budget funds	177,831	-	-	177,831
LGPS pension funds	-	(362,000)	-	(362,000)
Other funds	-	63,509	-	63,509
	<u>177,831</u>	<u>(298,491)</u>	<u>41,428</u>	<u>(79,232)</u>

27 Transfer of existing academies into the academy trust

St Blasius Shanklin CofE Primary Academy

On 1 May 2021 St Blasius Shanklin CofE Primary Academy was rebrokered to the Trust from Portsmouth and Winchester Diocesan Academies Trust. All operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust on rebrokerage.

The rebrokerage has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer of existing academy trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Transfer in recognised £
Net liabilities acquired	
Sundry Debtors	10,551
Cash and cash equivalents	103,568
Pension scheme	(638,000)
Total net liabilities	<u>(523,881)</u>

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

27 Transfer of existing academies into the academy trust

(Continued)

There were no fair value adjustments required to the values reported by the transferring trust.

St Francis Catholic and Church of England Primary Academy

On 1 May 2021 St Francis Catholic and Church of England Primary Academy was rebrokered to the Trust from Portsmouth and Winchester Diocesan Academies Trust. All operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust on rebrokerage.

The rebrokerage has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer of existing academy trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Transfer in recognised £
Net liabilities acquired	
Other tangible fixed assets	10,244
Sundry Debtors	15,840
Deferred income	(29,731)
Cash and cash equivalents	167,911
Pension scheme	(798,000)
Total net liabilities	<u>(633,736)</u>

There were no fair value adjustments required to the values reported by the transferring trust.

DIOCESE OF CHICHESTER ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

27 Transfer of existing academies into the academy trust

(Continued)

St James' Church of England Primary Academy

On 1 May 2021 St James' Church of England Primary Academy was rebrokered to the Trust from Portsmouth and Winchester Diocesan Academies Trust. All operations and assets and liabilities were transferred to Diocese of Chichester Academy Trust on rebrokerage.

The rebrokerage has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer of existing academy trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Transfer in recognised £
Net liabilities acquired	
Other tangible fixed assets	26,377
Sundry Debtors	24,960
Cash and cash equivalents	60,336
Pension scheme	(1,492,000)
Total net liabilities	<u>(1,380,327)</u>

There were no fair value adjustments required to the values reported by the transferring trust.