



University of Chichester (Multi) Academy Trust

(A Company Limited by Guarantee)

Company Registration Number 8595545 (England and Wales)

Annual Report and Financial Statements

Year ended 31 August 2015

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

Period ended 31 August 2015

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University of Chichester (Multi) Academy Trust
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

Reference and Administrative Details

Members	Clive Behagg Ian Child Philip Robinson Margaret Eva	(Resigned 3 March 2015) (Appointed 23 July 2015)
Trustees	C Behagg (Chair) Philip Robinson Ian Child Alan McMurdo (Director of Academies) Joe Vitagliano Sue Patrick Michael Grant Richard Edwards Graham Olway Richard Martin Sue Samson Deamonn Hewett-Dale Jon Spence Sarah Gilroy Charles Gregson David Myers Jill Cook Kaye Forrest	 (Resigned 3 March 2015) (Resigned 30th November 2014) (Resigned 13 November 2014) (Resigned 9 June 2015) (Appointed 1st December 2014) (Appointed 15 December 2014) (Appointed 26 March 2015) (Appointed 9 June 2015) (Appointed 9 June 2015) (Appointed 1 September 2015) (Appointed 1 October 2015) (Appointed 1 October 2015)
Company Secretary	Helen Turner	
Strategic Team		
Director of Academies	Alan McMurdo	(Resigned 30th November 2014)
Chief Executive	Sue Samson	(Appointed 1st December 2014)
Director of Financial and Commercial Services	Helen Turner	
Director of Standards	Jerry Goddard	(Appointed 1 November 2014)
Principal Registered Office	University of Chichester Bishop Otter Campus College Lane Chichester PO19 6PE	
Company registration number	8595545	
Independent Auditor	MHA MacIntyre Hudson New Bridge Street House 34-40 New Bridge St London EC4V 6BJ	

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

The trustees of the University of Chichester (Multi) Academy Trust (referred to in this document as 'the trust') present their annual report together with the financial statements and auditors' reports of the charitable company for the twelve months to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law. In this report the directors are referred to throughout as trustees.

The trust operates six academies in the south east of England: one junior school, four primary schools and one secondary school. The total pupil capacity of all six schools is 2705 with a total on roll of 1,588 as at the autumn 2013 census date.

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Appointed by the Sponsor (University of Chichester)	Up to 6
Chief Executive appointed by the Sponsor	1
Parents of registered pupils at one or more academies (unless there are Local Governing Bodies which include at least two parents)	2

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Appointed by the Members	1
Staff member appointed by the trustees	1
Principal appointed by the trustees	1
Chair of a Local Governing Body appointed by the trustees	1
Co-opted by other trustees	Up to 3

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

During this second full year of operations all vacant positions on the Board were filled although one Trustee was not formally appointed until 1 September 2015.

The Chair and CEO have held informal inductions with each of the new Trustees and a training workshop was held in January for trustees and governors. A further induction session for new trustees and governors was held in September.

Another Governance workshop was run in November 2015 for Local Governing Bodies and a specialist adviser has been appointed to carry out support and training for Local Governing Bodies on behalf of the Trustees to ensure that they are fully cognisant and skilled to carry out their delegated responsibilities.

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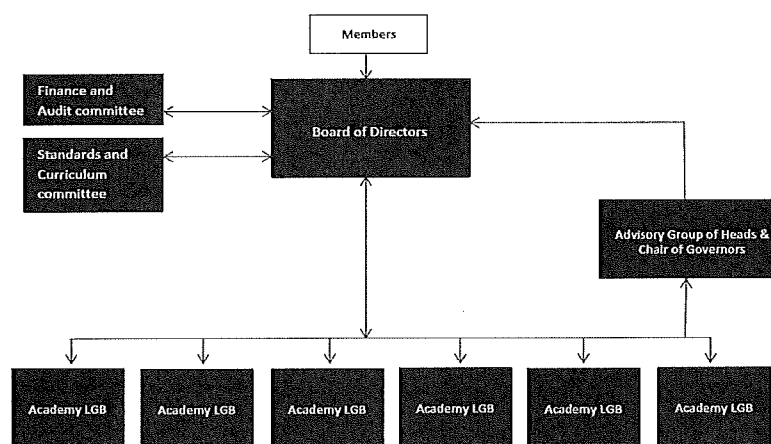
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TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2015

Organisational Structure

Annex A2 Governance Chart

MULTI-ACADEMY TRUST GOVERNANCE STRUCTURE



The governance of the Trust is undertaken by members, trustees and governors of individual academies

The members are akin to the shareholders of the company. They have ultimate control of the academy trust with the ability to appoint some of the trustees and the right to amend the articles of association. The Trust currently has three members and two are also Trustees.

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

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

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

The trustees delegate certain responsibilities to locally based committees known as Local Governing Bodies. Each academy has a Local Governing Body and a Scheme of Delegation for each academy sets out how these delegated powers operate. This document also sets out how such delegated powers may be further delegated to the Head teacher or Principal within the school. The Trust operates through a model of 'earned

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

autonomy' and therefore the level of delegation to each academy is different and based on performance. The Scheme of Delegation is reviewed on an annual basis following a strategic review meeting between the Trust's CEO and executive team and the Head and Chair of each academy. The outcome of this review is agreed levels of delegated authority for the following year and a letter is then sent to the Chair and the Head teacher setting out their levels of delegated authority for the following year.

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

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

Related Parties and other Connected Charities and Organisations

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

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

The University also provided financial support to the trust during the early part of the year by seconding University employees to the trust and charging their costs to a deferred payment account which was part of the initial operating model of the Trust. This agreement has now been formalised into a loan with the University which has EFA approval. The loan has a seven year term and has no interest charges and no penalties for early repayment. Since January 2015 the staff costs have been invoiced to the trust on a monthly basis. The trustees have reassured themselves that all re-charges made by the University are at cost.

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

In addition, members of the University's Institute of Education provide school improvement services to the academies within the trust and these are invoiced to the trust on a termly basis. The University has influence over the University of Chichester (Multi) Academy Trust's Board through its ability, as set out in the Articles, to appoint up to six Directors. This gives the University significant influence in setting the strategic direction of the trust but not majority control. None of the Directors receive remuneration for their work as Directors.

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The Articles also set out the University's interest in the membership of the trust by appointing the Vice Chancellor and a nominee of the University as two of the five members, neither of whom receive any remuneration from the trust. Two of the original signatories to the Memorandum remain as members and a further independent member has been appointed during the year. Two vacancies exist for members as at 31 August.

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

Public Benefit

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

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

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

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

Objects and Activities

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

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

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

Objectives, Strategies and Activities

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

The provision has the following aims:

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

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

- Governance
- Standards and School Effectiveness
- Human Resources
- Finance
- Premises

Governance:

Key Objectives:

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

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

This will be delivered through:

Board and Committee Meetings - Develop effective and efficient governance of the Trust through challenge and support using a programme of Board and Committee meetings.

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

Delegation and Accountability - Develop clear and robust delegation processes through developing the Scheme of Delegation, the process of delegation and differentiated delegation profiles for each Academy.

Planning – Further develop and review the Strategic Plan for the Trust and create a Programme Plan, a growth plan, development programme to ensure that the work of the Trust is well managed, effectively targeted and delivered within the capacity of the Trust.

Legal compliance – To develop the guidance and policies of the Trust and the formal monitoring procedures to ensure that the Academies are operating within statutory guidelines and are legally compliant.

Performance Indicators:

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

Standards and School Effectiveness:

Key Objectives:

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

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

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

These will be delivered through:

Operational Planning - Ensure that all academies deliver improvement effectively through their Journey to Excellence Plans (J2E) challenged and supported by their Local Governing Bodies.

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

School Improvement – Deliver high quality school improvement programmes through Academy improvement partners, support plans and a team of quality assured experts as well as school to school support.

Data and reporting - Develop Trust wide data sets and reporting processes and procedures, to meet the accountability requirements of the Trust and use them to drive the collaborative improvement agenda.

Safeguarding – Develop Trust wide processes and procedures to assure academy based safeguarding practice meeting LA and Trust requirements to include the Prevent Duty

Performance Indicators:

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

Human Resources

Key Objectives:

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

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

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

These will be delivered through:

Policy development and maintenance – To ensure that the Trust has formally recorded and approved HR processes which are fully compliant and meet the needs of all of its employees.

School Improvement and viability – Ensure that Academies maximize the benefits of its people to deliver a high quality education to its students and support Academies to undergo organisational reviews and restructuring if this is in the best interests of the students.

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

Recruitment, retention and talent management. Ensure recruitment, retention and talent management of staff is consistent and robust to ensure that we both attract and grow our own high quality staff that align with our culture and values.

Performance Management – Develop effective performance management processes both within individual academies and across the Trust that improve the quality of teaching and leadership in our academies.

Performance Indicators:

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

Finance

Key Objectives:

To develop confident financial planning and progress monitoring to ensure that the Trust is operating within budget.

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

These will be delivered through:

Board and Committee Meetings - Provide high quality information to the Accounting Officer, the Board and the Finance & Audit Committee to enable them to understand and monitor the financial position and make informed and secure decisions on the financial management and financial viability of the Trust

Strategic Planning – Develop an effective modelling process that enable the Trust to be well informed about its options informing decision making of the Executive and the Board.

Financial Management - Manage the central and academy based finances of Trust following all EFA requirements and processes.

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

Training and Support - Provide training and support for Academies Business Managers and Finance Officers to ensure that they are knowledgeable, skilled and self-sufficient, and develop school to school support structures across our two local areas.

Performance Indicators:

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

Premises

Key Objectives:

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

This will be delivered through:

Planning – To ensure all academies are appropriate and well managed learning environments with a five year premises improvement plan.

Bid writing – To support the development of core specifications and projects for targeted schools to improve the condition of the school and improve the learning environment for students.

Health and safety - To ensure all academies have effective Health and Safety procedures and undertake Health and Safety audit for every school.

Performance Indicators:

- Manageable five year premises plans in all academies.
- Funding secured to improve the condition of academies who have identified need.
- Health and Safety well managed in academies and no high risk incidents reported.

STRATEGIC REPORT

Achievements and Performance

Context

In 2014/15 the Academy Trust doubled in size adding three new academies to the Trust to make a total of six Academies. Five of the Academies are primary academies and one is a secondary academy. All approvals

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were given in the 2013/14 academic year. 2014/15 was seen as a year of review and consolidation to ensure that the leadership, governance and delivery of the Trust was robust and secure and able to accommodate future growth.

Governance

This year has seen a considerable focus on improving the governance of the Trust. There have been six new high quality appointments to the Trust Board which has both expanded the skill set of the Board to increase both HR and Finance skills and increased the business acumen of the Trust as well as the links to the newly established Institute of Education at the University. Induction meetings have been held with all new Trustees and an introductory workshop has also been run for new Trustees and members of Local Governing Bodies and will feature twice a year as part of the cycle of events. The Scheme of Delegation has been revised and re-issued to all Academies with a bespoke and differentiated delegation profile issued to each Local Governing Body before the start of the new academic year. The level of delegation given to an academy was based on a strategic review of each governing body's capacity to take decisions for the academy on behalf of the Trust Board. This process will now feature as part of the annual monitoring and accountability cycle of the Trust. A Governance Toolkit has also been produced to support effective local governance.

The quality of governance in the Trust through its Board and Local Governing Bodies and through its systems and processes has been enhanced throughout the year and is now secure and has the potential to be highly effective. An audit of governance has been undertaken and the outcomes and further analysis of strategic review outcomes indicates that performance indicators have been met.

Standards and School Effectiveness

Since October 2014 the Trust has increased its focus on school improvement with the appointment of a Director of Standards and School Effectiveness. Systems and structures have been developed as have coherent and consistent accountability and reporting systems. A small team of high quality Academy Improvement Partners have been employed to monitor and assure the work of academies and a structured programme of support has been developed and is being provided differentially dependent upon the identified needs of each academy. The use of external consultants has had a positive impact on the Standards and Effectiveness agenda of the Trust with these consultants also bringing a rich set of data analysis and inspection skills. There is now a clear programme of school improvement activity with monitoring and validation points identified for all academies and additional support plans produced for those schools that require intensive support. There has been a development of Trust wide system and templates to secure increased consistency and these materials have been identified by the DfE as models of good practice.

Results Summary Report 2015

Trust Wide data

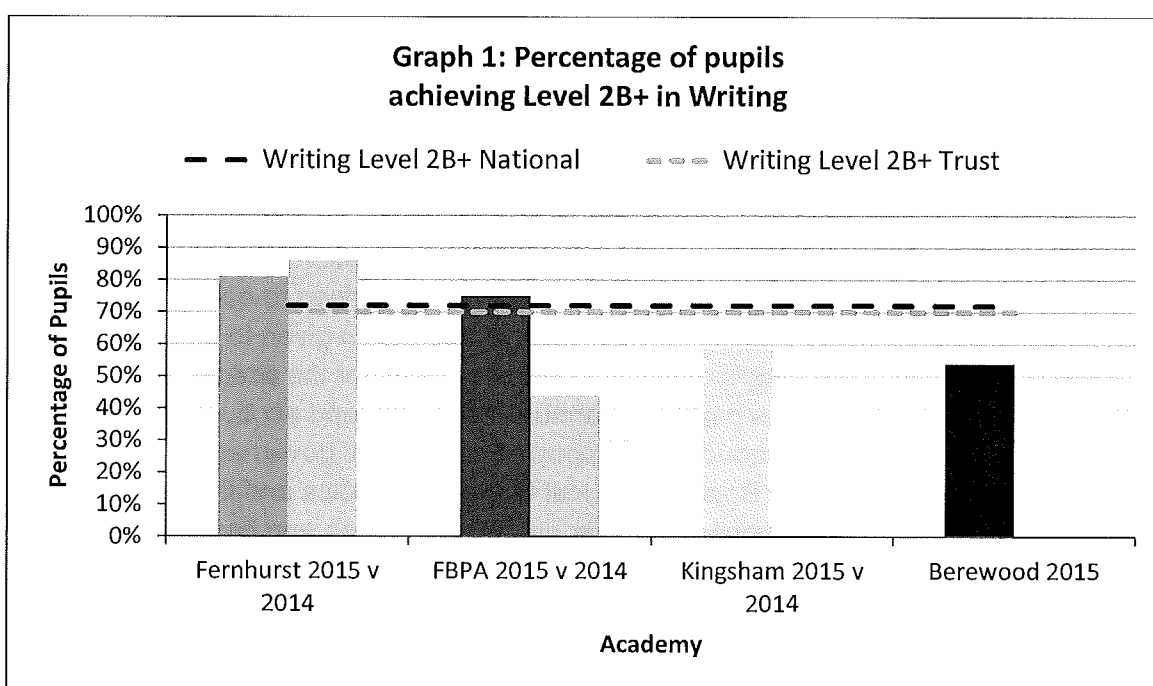
The first set of Trust wide data shows clear potential to close the gap quickly on national averages despite the fact that two of our primary academies and our only secondary academy were judged as 'Special

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Measures' by Ofsted prior to transfer, one academy was judged as 'Requires Improvement' at transfer and one is a new academy with a high percentage of in year transfers. One Academy was judged as 'good' at transfer with good progress being made by pupils although some achievement metrics were below national average.

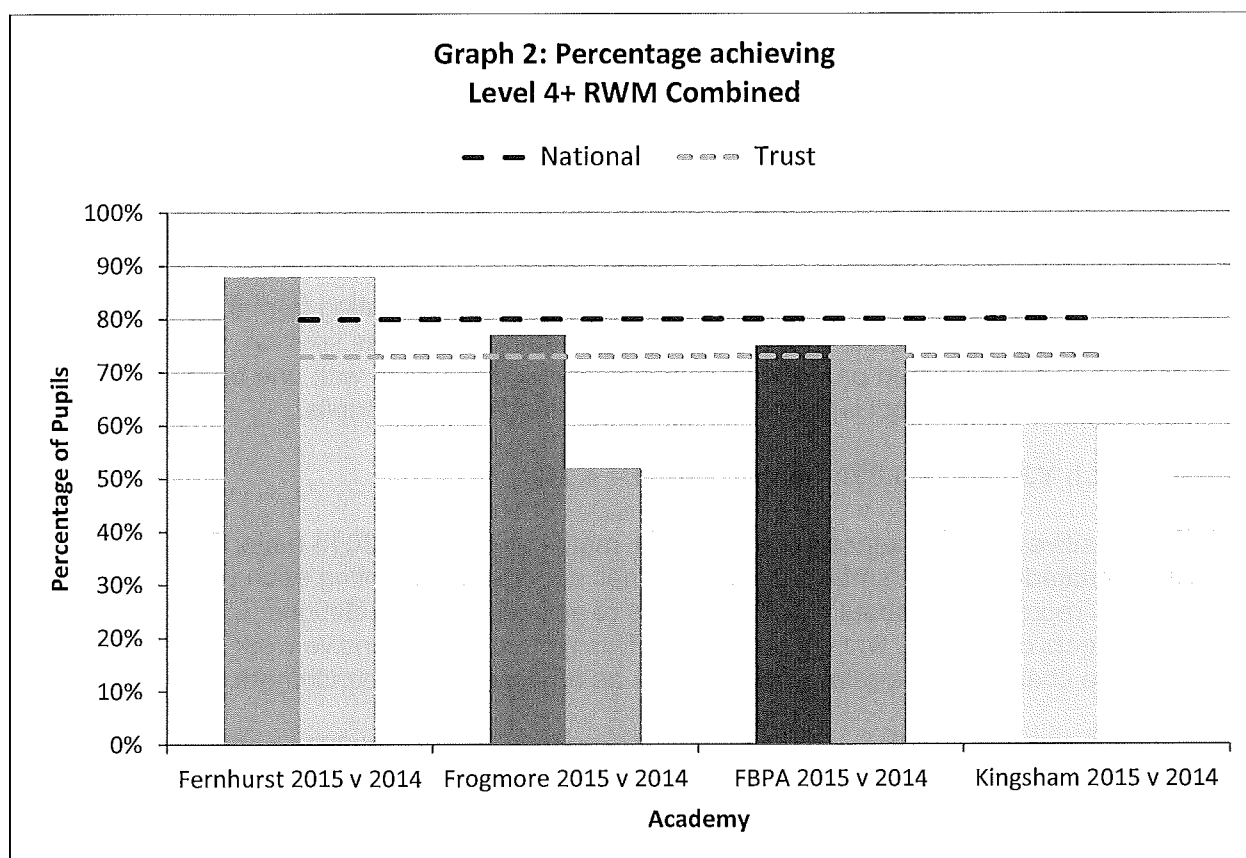


The performance data at KS1 shows that the Trust is either at or within 6% or less of every 2014 national average metric including reading, writing and maths combined despite the unbalanced academy profile. The significance of this 6% is that it represents just 10 pupils across all the Trust primary academies combined. In KS1 Writing for example (see Graph 1 above), the aggregated year on year performance of our academies shows significant improvement in closing the Trust/national gap to within 2%. The one exception is maths at L3+ attainment which is at 7% below the 2014 national average.

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At KS2 the performance is good in L4+ maths and L4+ spelling, punctuation and grammar with some significant gains in our sponsored academies. Again, primary academy aggregated L4+ reading, writing and maths combined is within 6% of national average (see Graph 2 above). In contrast to KS1, achievement in writing in our two primary academies previously in special measures has depressed both Trust-wide and those individual academy results. The Trust has focused on improving the accuracy of assessment of writing particularly in both of these schools ensuring that teachers are accurately assessing levels of writing and requiring more external moderating to be employed than was the case in the past. Consequently in comparison with the previous year, the writing scores are lower but this focus has resulted in more accurate assessments and sound preparation for the delivery of age related expectations in the future.

There is some early evidence of good progress Trust-wide in narrowing the gap for pupils for which our academies receive the pupil premium. Early identification of areas for Trust wide improvement in 2015/16 are the challenge of extending more able pupils, accelerating pupil progress so that a greater proportion of children exceed their age related expectation and the development of writing, especially in KS2.

Berewood Primary: each Y2 pupil = 7%: each Y6 pupil = 50%.

Berewood Primary has produced its first set of results. This is a very positive data set especially considering

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all pupils transferred mid-key stage and is a good foundation on which to build pupil progress in the future. The KS1 results show that attainment in Y2 at L2+ has already met or exceeded national averages. There is further improvement to be made in consolidating this attainment at L2b+ which is the age related expectation and at L3+.

KS1: L2+ reading, writing and maths combined attainment is at 92% which is above the national average for 2014. L2b+ and L3 are below the national averages – evidence that there has been insufficient time to build sufficient depth and extension to learning as yet in the 2 ½ terms the pupils have had since opening the school.

KS2: There are only two Y6 pupils so we cannot set too much store on extrapolating from these results. One pupil achieved L4+ in all aspects and actually achieved L5+ for reading as well as spelling, punctuation and grammar. Both pupils achieved expected progress in reading, writing and maths with one better than expected progress in reading. The school is proud of the achievements of both pupils.

Fernhurst Primary: Each Y2 pupil = 3.8%: Each Y6 pupil = 4.2%.

The KS1 data is very positive with all metrics apart from L3+ maths at or above 2014 national averages. Percentages are accentuated in such a small school with small cohorts representing each year. This means that each pupil is representing about 4%. Predictions of age related expectations (L2b+) were accurate in all three aspects of reading, writing and maths. This reflects the extensive work that the school has done anticipating the change to age related expectation as an assessment benchmark.

KS1: A very positive data set. L2+ reading, writing and maths combined equalled 2014 national average at 85%. All KS1 attainment was above current national averages except in maths.

KS2: Attainment across the board was also positive. L4+ reading, writing and maths combined was 88% so above 2014 national averages by 9%. Spelling, punctuation and grammar attainment at L4+ was exceptional and was 20% above national averages. All pupils made expected progress in reading and writing and all bar one in maths.

Flying Bull Primary: Each Y2 pupil = 1.7%: Each Y6 pupil = 1.8%.

Improving pupil achievement at KS1 was a particular focus for the academy in 2014/15. The year on year improvement in KS1 was exceptional with large percentage increases in nearly all metrics. Reading, writing and maths at age related expectation i.e. L2b+ all increased significantly from 2013/14. Writing at L2b+ showed the most increase at 75% and surpassing the current national average by 5%. Another key area of focus for the academy in 2014/15 included extending more able pupils in KS2 and as a result L5+ attainment in writing and maths improved significantly year on year.

KS1: L2b+ was a very positive data set. L2+ reading, writing and maths combined was 85% and just below national averages showing good progress from EYFS. All KS1 attainment was up on last year's results with writing as the highlight (up 31% from 2014); maths was up by 22%. Reading attainment is improving well and is up by 12% since last year although it is still 7% below national average for L2+.

KS2: L5+ writing and maths show significant increases on last year at 13% and 16% respectively. L4+ maths attainment exceeds the national averages. Three levels of expected progress in reading, writing and maths were all up year on year which is pleasing and writing progress improved significantly against the national averages. Pupil premium pupils fared particularly well with their reading, writing and maths

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combined average point score in attainment surpassing similar pupils nationally by 0.8 and in maths particularly by 1.0APS. The value added progress for these pupils in reading, writing and maths were all greater than 100.0.

Frogmore Junior: Each Y6 pupil = 2.3%.

Since last year the progress in Frogmore Junior School has been exceptional with the L4+ reading, writing and maths combined at 77% an increase of 25% on last year thus almost equalling 2014 National averages. Separately the L4+ attainment for reading, writing and maths were even higher at 88%, 84% and 86% respectively – all showing significant improvement on the previous year. As a junior school Frogmore only reports on KS2 attainment and progress metrics. Writing progress was the only metric that did not improve significantly which is likely to be the effect of better and more rigorous moderation processes. This moderation of pupils' writing leading to more accurate assessment has been a particular focus of the school this year and has depressed writing scores when compared to previous years.

KS2: Attainment across the board is very positive particularly for a predecessor school with an 'Inadequate' Ofsted judgement as recently as July 2013. All attainment metrics are at or marginally better than 2014 national averages. Only L5+ reading and writing are down on 2014. Rates of progress in reading and maths showed considerable improvement on last year. Early specific groups analysis indicates that Pupil Premium pupils achieved particularly well with 100% at L4b+ in reading, 71% in writing and 86% in Maths. Whilst Frogmore Junior School remains below national averages in some KS2 achievement metrics there is rapid improvement.

Kingsham Primary: Each Y2 pupil = 2.7%: Eh Y6 pupil = 2.5%.

Kingsham has made some very good year on year improvements at both KS1 and KS2. At KS2 only writing failed to improve year on year and this is likely to be due to more accurate assessment following the rigour of increased external moderation. This moderation of pupils' writing has been a particular focus of the school this year. Separately the L4+ attainment for reading, writing and maths are 90%, 60% and 85% respectively. The year on year progress in Kingsham has been upward with the L4+ reading, writing and maths combined at 60% - an increase of 9% on last year. However this will mean that Kingsham remains below the DfE 2015 floor target of 65% by dint of the lower than predicted L4+ writing attainment.

KS1: All KS1 metrics show year on year improvement for example, reading and maths attainment at L2B+ (Age related expectation) increased in reading and maths by 6% year on year and in writing by 11%. Only L3+ writing and maths attainment failed to show year on year improvement. Predictions are accurate and within 1-2 pupils either way. All metrics remain below national averages although just 2-3 pupils in each Y2 class making better progress would achieve national averages for all metrics.

KS2: All KS2 metrics show year on year improvement except L4+ and L5+ writing. L4+ reading, writing and maths combined is up 9% to 60%. L4+ maths is up 21% to 85% which is almost national average. This is pleasing particularly for a predecessor school in Special Measures as recently as July 2014. Writing attainment is the key issue in KS2 and significantly responsible for suppressing the L4+ reading, writing and maths combined percentage performance.

Mill Chase Academy

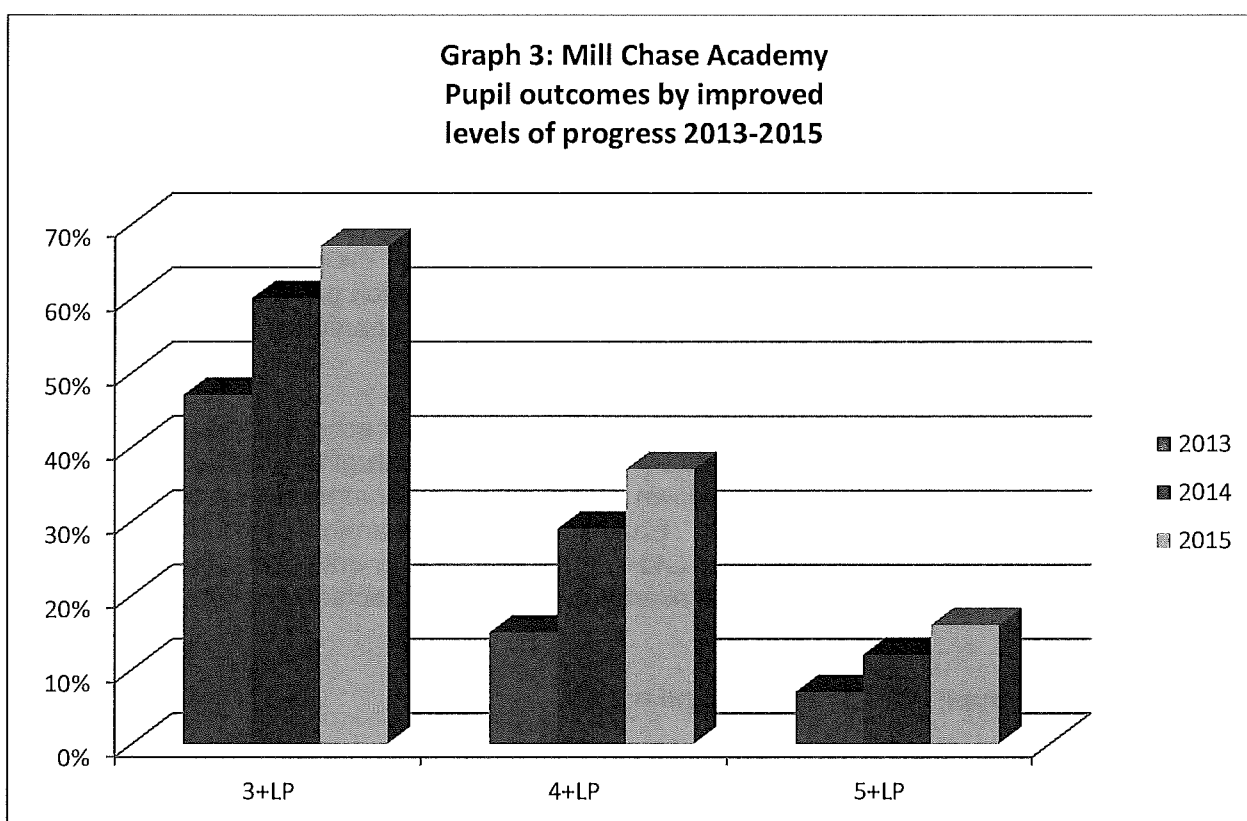
At MCA Key Stage 3 progress is improving and is now at a position where students make in-year progress in

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

line with making 4 levels of progress between KS2 and KS4. Graph 3 shows the improving rates of progress year on year over KS2-KS4.



The validated 2014 GCSE results showed considerable improvement, placing the school at the 48th percentile with value added of 1003.5. Value added for English was 999.8 and for mathematics 1000.9. Disadvantaged pupils achieved higher than disadvantaged pupils nationally with value added of 985.1 compared to the national average of 977.6 and other pupils achieved higher than other pupils nationally with value added of 1008.8 against the national average of 1008.0. Students for whom the school received pupil premium (PP), 43% achieved 5A*-C with English and mathematics compared to 36% nationally. Furthermore, 69% of PP students made expected progress in English and 59% in mathematics. High ability students made progress significantly above the national average in mathematics with value added of 1003.3 against 1000.0 nationally. In 2014-15, all students who joined the school with a Level 2 or Level 3 in English, completed year 7 with a Level 4 in English. Specific subjects showing significantly improved performance this year include Computing up by 40% A*-C grades to 73% and History also improved to 54%, doubling its A*-C grades from last year.

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

Human Resources

The Academy Trust runs its central services with four full time and three part time secondees from the University of Chichester, of which currently there is one part time vacancy in Finance. These staff are secondees and not direct employees of the Trust and are on terms and conditions and salaries defined by the University. The Trust also pays for IT, Press and PR, Health and Safety, and Premises services provided by the University. The Trust also pays for 154 days of staff time from the Institute of Education to meet the improvement needs of the schools. These staff seconded and serviced, are all of very high quality and their impact is evident in our school academies.

The Trust is the direct employer for 278 staff in its six academies. Kingsham has undergone major restructuring during the year and Mill Chase has continued its restructuring programme started last year. Mill Chase Academy has increased its 2014-15 surplus by £165,000, compared to budget, as a result of the recent restructuring programme. Staffing is now 72% of the academy budget and is therefore well within DfE guidelines. Kingsham Primary school's restructuring programme has reduced the reported percentage of school budget spent on staffing to 76% whilst also improving the efficiency and effectiveness of the academy.

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

Finance and Resources

This report is for the second accounting period of the University of Chichester Academy Trust and covers the twelve months to 31 August 2015.

The results for the year include the three academies which joined the trust in 2013-14 and the three new academies that joined on 1 September 2014. These results therefore show a full twelve months for each of the seven locations.

As the results are consolidated adjustments have been made to remove all intercompany transactions during the year and at the year-end.

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

The trust made an overall surplus, before actuarial gains, of £19,872,000 for the year made up of the following surpluses on individual funds:

	£
Unrestricted funds	(13,000)
Restricted General funds	173,000
Restricted Fixed Asset Funds	<u>19,712,000</u>
Total funds	<u>19,872,000</u>

The surplus on Restricted General funds broke down by location as follows:

	£
Frogmore Junior School	54,000
Mill Chase Academy	289,000
Flying Bull Academy	247,000
Berewood Primary School	108,000
Fernhurst Primary School	(35,000)
Kingsham Primary School	44,000
Central trust	<u>(534,000)</u>
Total	<u>173,000</u>

The above figures do not include any top-slice charges or income so the figures in the academy's own management accounts will differ from those above. However, it is clear from the above that whilst the individual academies are mainly making surpluses the centre has not yet reached a size where it is breaking even. This is in line with our long term forecasts.

The individual academy results were better than budget, reflecting their desire to build up surpluses to accommodate expected changes in future pupil numbers (Frogmore, Mill Chase, Kingsham and Berewood) or to plan for future staffing changes (Flying Bull). The exception to this was Fernhurst Primary School whose results were in line with budget.

The central trust's results included start-up costs of £52,000 for the three schools which had opened on 1 September 2014 but for which the start-up grants had been received during the last financial year. After allowing for this timing difference the trust results were in line with forecasts for the year.

This year has been a year of consolidation with no further growth in the number of academies since September 2014. The Trustees are aware that the Trust is not yet of a size where it can generate sufficient economies of scale to break even and it looks forward to taking on more schools next year to help the Trust reach this goal.

The Trust has spent this year ensuring that its financial policies are in place and have adopted the following new policies during the year:

Anti-fraud Policy (including anti bribery)
Charging and Remissions Policy
Public Interest Disclosure (Whistleblowing) Policy

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

All policies, together with guidance notes for academies, are published on the Academy Portal on the website.

Reserves Policy

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

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

- Enable the academies to manage their central day to day operations and absorb any forecast deficits due to falling rolls over a period of three years.
- Provide sufficient working capital to enable the trust to manage its central day to day operations.

The level of reserves to meet total academy requirements should be between 2 and 4 months' worth of academy expenditure. The level of reserves to meet the trust's requirements should therefore be between £505,000 and £1,515,000. With GAG reserves of £965,000 this has been met.

This reserves policy will be reviewed by the trustees at least annually.

At 31 August 2015 the total funds comprised:

	£'000s
Unrestricted	12
Restricted fixed asset funds	40,455
Restricted general funds:	
GAG	701
Pension reserve	(1,044)
	<u>40,124</u>

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

Investment Policy

The trust does not hold any investments but it does hold cash balances inherited from the Local Authority from its schools. These are held in interest earning deposit accounts in the name of the trust.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it

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

continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Premises

There are three Academies in the Trust with significant premises needs. Frogmore Junior has been supported by Hampshire County Council to bid for funds to re-clad the school and replace one set of toilets. Mill Chase has won £86,000 from the Condition Improvement Fund for various priority works in the school. The Trust is also a partner in an additional bid to the Priority School Building Programme 2, for Mill Chase refurbishment/rebuild, which has secured a positive response from the DfE's Education Funding Agency. The Trust now awaits the detail of the funding which will be provided. The proposal is to completely re-build the school as part of a new development in Bordon. The plan is to build the new school on a new site and move the students into the school in September 2019. This is a very exciting project and would enable the Trust to demonstrate some leading edge initiatives. The third school with significant capital needs is Kingsham Primary. The school was transferred to the Trust with a very poor building and needs considerable investment to improve the learning environment and meet basic requirements. The Trust made an unsuccessful bid to the Condition Improvement Fund last year. The Trust is currently preparing to put in a further bid for Condition Improvement Fund 2016.

Communications and PR

During 2014/15 the visual branding of the Academy Trust and the academies has been further aligned with that of the University. There has been continued development of the Trust website, particularly the secure Portal. Website visitor and page view numbers have grown (e.g. 2321 page views in June 2014 to 4871 in June 2015). New websites with strong Trust branding have been developed for three academies (those previously in Special Measures) where there has been a particular focus on supporting admissions marketing.

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

Media coverage for the Trust and University have included local press items on the Berewood Primary School handover, first school day (including TV news bulletins) and launch event; the University-led INSET day; and Flying Bull University "graduates" with mini University caps and gowns. The number of published press items increased for every academy compared to the previous academic year. There has been no adverse press coverage of the Academy Trust.

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

Principal Risks and Uncertainties

The trustees have considered the principal risks to which the trust is exposed and have put measures in place to aim to mitigate those risks. A risk policy is in place and procedures exist to identify and manage risks.

The principal risks facing the trust are:

- The growth required to deliver financial sustainability is not forthcoming.
- Due diligence processes do not identify key risks prior to conversion
- HR team does not have capacity to deliver the major projects planned for the year whilst also maintaining a high quality HR service to our staff.
- Lack of capital investment prevents the Trust from meeting the premises needs of academies.

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

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

Plans for Future Periods

Growing our MAT

Our **strategic intention** is to build an excellent Multi Academy Trust of approximately 30 academies by 2022, geographically grouped in hubs of 4-8 academies and all within the University's partnership area. The maximum travelling time between any of our academies, in a given hub, will ultimately be no more than 30 minutes enabling teachers and students to move between academies in the lunch hour if required. It is the intention that hubs will ultimately be self-supporting. Each academy would be supported by others in the hub. The hub would also be supported by both the academic and professional services of the University and all will work together tirelessly to raise aspirations of all children

Converter Academies

Converter Academies will be engaged in the next phase of growth to add capacity to our MAT and to help to build strong and sustainable hubs capable of supporting sponsored academies in the future. The expertise they bring will be a resource for other academies. The opportunities for widespread School to School (S2S) support within the Trust will be greatly enhanced and the expertise developed over years of involvement in teacher training will be brought to bear over a wide area. Colleagues in these converter academies will also benefit from enhanced development opportunities provided by the University and be able to move between our academies if they so wish to extend their experience and develop particular strengths and areas of expertise. They will then form part of the Trust talent bank.

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

Sponsored Academies

The Trust will continue to consider opportunities to sponsor underperforming schools in hub areas in order to improve the provision they make for local children but not until there are at least two good schools in the hub with capacity to support the underperforming school. Ultimately Trustees expect sponsored academies will be the minority of the academies in the group.

New Schools/Free Schools

The Trust will also continue to 'bid' for new schools in hub areas of Bordon, Portsmouth/Waterlooville and along the West Sussex Coastal Strip where it believes that the introduction of a new school meets the needs of communities and will add value to the Trust

Recruitment

The Trust has been contacted by 17 schools in the University partnership area expressing an interest in joining the Trust. Of these schools, eight would meet the Trust current priorities for growth and are in the Trust's target areas. The Trust also has also undertaken an analysis of schools in the target areas who meet our current criteria for growth. There are 44 potential schools. The Trust has also identified five areas of 'basic need' where local authorities consider that new schools are needed and the Trust has entered into discussion with those local authorities about new school and free school projects in these areas.

In the next year Trustees hope to grow the Trust in key target areas adding new schools to its family where they will add capacity to the Trust and support the effective development of local learning communities. The Trust will only work with schools that support the values of the Trust and are keen to work with other schools in partnership to enhance the opportunities and achievement available for their pupils.

The Trust will continue to deliver our objectives and to seek to enhance its performance but with additional schools joining the Trust it will also focus on some new objectives reflecting the needs of new academies and its aspirations to develop self-supporting hubs providing school to school support.

Auditor

In so far as the trustees are aware:

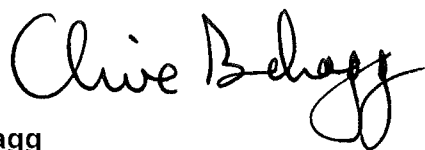
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2015 and signed on the board's behalf by



Clive Behagg

Chair of Board

15 December 2015

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GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Clive Behagg (Chair)	6	6
Philip Robinson	5	6
Ian Child	1	2
Alan McMurdo	1	1
Sue Samson (CEO)	5	5
Joe Vitagliano	5	6
Sue Patrick	0	1
Michael Grant	4	6
Richard Edwards	6	6
Graham Olway	5	6
Richard Martin	0	3
Deamonn Hewett Dale	3	5
Jon Spence	4	4
Sarah Gilroy	1	2
Charles Gregson	1	2
David Myers	1	1
Jill Cook	1	1
Kaye Forrest	1	1

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**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015**

Alan McMurdo resigned as Director of Academies with effect from 30 November 2014 and was replaced by Sue Samson as Chief Executive.

Sue Patrick, Ian Child and Richard Martin have resigned during the year and been replaced by Deamonn Hewett Dale, Sarah Gilroy and David Myers. Charles Gregson, Jon Spence, Jill Cook and Kaye Forrest have also joined the Board, filling all the remaining vacancies.

Membership of the Finance and Audit Committee is as follows:

Philip Robinson
Ian Child
Richard Edwards
Charles Gregson
Sue Samson (Chief Executive and Accounting Officer)
David Myers (From 1 September 2015)

Trustee	Meetings attended	Out of a possible
Philip Robinson	4	4
Ian Child	0	1
Richard Edwards	3	4
Sue Samson (Chief Executive and Accounting Officer)	4	4
Charles Gregson	1	1
David Myers	1	1

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

Review of Value for Money

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

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

1. Procurement from previous local authorities using their accredited framework providers.
2. Procurement using the University of Chichester framework of preferred providers.
3. Procurement using our own Procurement Policy.
4. Quality assurance of service providers by the Director of Financial and Commercial Services and colleagues in the central Trust team.

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**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015**

5. Time limited contracts with built-in review arrangements.
6. Termination clauses in contracts if quality is not at an acceptable level, as defined by set parameters.
7. Monitoring of all school payments over £10,000 to ensure that school resources are being spent appropriately.

The Purpose of the System of Internal Control

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

The system of internal control has been in place in the University of Chichester Academy Trust for the year to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and appointed MHA MacIntyre Hudson to carry out a Supplementary Work Programme to assist the trustees with its

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**GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015**

management of risk and checking of financial controls through performing a supplementary programme of work. The Supplementary Work Programme was carried out by a different team and a different partner to the external team/partner.

The Finance and Audit Committee was pleased to note in September 2015 that all of the 35 recommendations in the 2014 report had been addressed. The recommendations made in the 2015 report were reviewed at the September 2015 meeting and an action plan for addressing these was approved.

These reports will be kept under continual review by the Finance and Audit Committee.

Board Assurance Framework

The auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems and how they operate in its individual academies. On an annual basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of MHA MacIntyre Hudson, carrying out a supplementary work programme.
- the work of MHA MacIntyre Hudson as external auditor.
- the financial management and governance self-assessment process.
- the work of the Director of Financial and Commercial Services who has responsibility for the development and maintenance of the internal control framework.
- The work of the Finance and Audit Committee

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GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

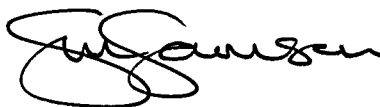
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the auditors and a plan to address weaknesses and further development of policies and procedures to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:



Clive Behagg

Chair of Board



Sue Samson

Accounting Officer

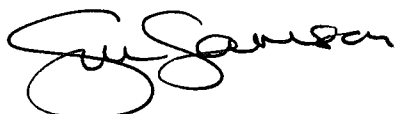
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2015**

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

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



Sue Samson
Accounting Officer
15 December 2015

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

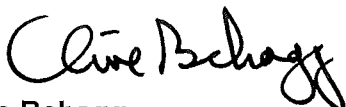
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:



Clive Behagg
Chair of Board

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
UNIVERSITY OF CHICHESTER (MULTI) ACADEMY TRUST
FOR THE PERIOD ENDED 31 AUGUST 2015

We have audited the financial statements of the University of Chichester (Multi) Academy Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 issued by the Education Funding Agency.

This report is made solely to the academy'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'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 and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on pages xx to xx), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
UNIVERSITY OF CHICHESTER (MULTI) ACADEMY TRUST
FOR THE PERIOD ENDED 31 AUGUST 2015

Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Sudhir Singh

SUDHIR SINGH FCA (Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor
New Bridge Street
30-34 New Bridge Street
London
EC4V 6BJ

21 December 2015

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE UNIVERSITY OF
CHICHESTER (MULTI) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31 AUGUST 2015

In accordance with the terms of our Audit Plan presented on 26 May 2015 and further to the requirements of the Education Funding Agency(EFA)as included in the Academies accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the University of Chichester (Multi) Academy Trust during the period 1 September 2014 to 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The University of Chichester (Multi) Academy Trust's accounting officer and the reporting accountant.

The accounting officer is responsible, under the requirements of The University of Chichester (Multi) Academy Trust's funding agreement with the Secretary of State for education dated 23 August 2013 and the Academies Financial Handbook, extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purpose intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies accounts Direction 2014- 2015. We report to you whether anything has come to our attention carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the periods 1st September 2014 to 31st August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014-2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

UNIVERSITY OF CHICHESTER (Multi) ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE UNIVERSITY OF
CHICHESTER (MULTI) ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31 AUGUST 2015

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 our conclusion includes:

- Reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us relevant to our consideration of regularity.
- Review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy.
- Testing of a sample of payments to suppliers and other third parties.
- Testing of a sample of grants received and other income streams.

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 1st September 2014 to 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Sudhir Singh

Sudhir Singh FCA

MHA MacIntyre Hudson, Reporting Accountant, Chartered Accountants & Statutory Auditor

Date 21 December 2015

Statement of Financial Activities for the year ended 31 August 2015 (including Income and Expenditure account and statement of recognised gains and losses)

	Notes	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	330	27	-	357	62
Voluntary income - transfer from local authority on conversion	3	-	(178)	20725	20547	21763
Activities for generating funds	4	119	5	-	124	121
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	6	55	9673	126	9854	5004
Investment income	5	-	2	-	2	-
Total incoming resources		504	9529	20851	30884	26950
Resources Expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		212	-	-	212	158
<i>Charitable activities</i>						
Academy trust educational operations	8	164	9284	1327	10775	6364
Governance costs	9	-	25	-	25	135
Total resources expended	7	376	9309	1327	11012	6657
Gross transfers between funds	17	(141)	(47)	188	-	-
Net income/(expenditure) for the year		(13)	173	19712	19872	20293
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension schemes	28	-	52	-	52	(93)
Net movement in funds						
Reconciliation of funds						
Total funds brought forward at 1 September 2014	17, 18	25	(568)	20743	20200	
Total funds carried forward at 31 August 2015		12	(343)	40455	40124	20200

Balance Sheet as at 31 August 2015

	Notes	2015 £'000s	2014 £'000s
Fixed Assets			
Tangible Assets	14	40327	20713
Current Assets			
Debtors	15	1011	384
Cash at bank and in hand		1447	1619
		<u>2458</u>	<u>2003</u>
Liabilities			
Creditors: amounts falling due within one year	16	1092	1755
Net current assets		<u>1366</u>	<u>248</u>
Total assets less current liabilities		<u>41693</u>	<u>20961</u>
Creditors: amounts falling due after one year	16	525	-
Net assets excluding pension liability		<u>41168</u>	<u>20961</u>
Pension scheme liability	28	1044	761
Net assets including pension scheme liability		<u>40124</u>	<u>20200</u>
Funds of the academy trust			
Restricted Funds			
Fixed Asset fund	17	40455	20743
General fund	17	701	193
Pension reserve	17	(1044)	(761)
Unrestricted Funds			
General fund	17	12	25
Total funds		<u>40124</u>	<u>20200</u>

The financial statements on pages 37 - 71 were approved by the trustees and authorised for issue on 15 December 2015 and are signed on their behalf by:


Clive Behagg
Chair of Board

University of Chichester (Multi) Academy Trust

Cash Flow Statement for the period ended 31 August 2015

	Notes	2015 £'000s	2014 £'000s
Net cash inflow from operating activities	21	(134)	408
Returns on investments and servicing of finance	22	2	NIL
Cash transferred on conversion		86	1356
Capital grants	23	(126)	(145)
(Decrease)/increase in cash in the year		(172)	1619
Net funds at 1 September 2014		1619	NIL
Net funds at 31 August 2015	24	<u>1447</u>	<u>1619</u>

University of Chichester (Multi) Academy Trust
STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

All incoming resources are recognised when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

▪ **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

University of Chichester (Multi) Academy Trust
STATEMENT OF ACCOUNTING POLICIES

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with staff costs allocated on the basis of time spent, and indirect costs following the same basis of apportionment.

▪ Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

▪ Charitable Activities

These are costs incurred on the academy trust's educational operations.

▪ Governance Costs

These include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Unless otherwise stated in the accounting policies fixed assets are depreciated on a straight-line basis over the expected useful economic life of the asset, as follows:

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

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

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

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

Furniture **4 years**

Computer equipment and licences **5 years**

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

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

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.

University of Chichester (Multi) Academy Trust
STATEMENT OF ACCOUNTING POLICIES

Leased Assets

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

Stock

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

Taxation

The University of Chichester 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, CAT is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/local authority where the asset acquired or created is held for a specific purpose.

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

Conversion of academies

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

Note 2 General Annual Grant

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

University of Chichester (Multi) Academy Trust

Note	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2015 £'000s	Total 2014 £'000s
3 Voluntary income					
Transfer from Local Authority on conversion:					
Fixed assets	-	-	20725	20725	21045
Budget surplus on Local Authority funds	-	86	-	86	1356
Defined benefit pension scheme deficit	-	(264)	-	(264)	(638)
Donations	196	-	-	196	16
Other income	134	27	-	161	46
	<u>330</u>	<u>(151)</u>	<u>20725</u>	<u>20904</u>	<u>21825</u>
4 Activities for Generating Funds					
Lettings income	106	-	-	106	83
Uniform sales	2	-	-	2	5
Sales of goods and services	8	-	-	8	9
Sundry	-	5	-	5	-
Solar panel income	3	-	-	3	-
	<u>119</u>	<u>5</u>	<u>-</u>	<u>124</u>	<u>97</u>
5 Investment income					
Bank interest	-	2	-	2	-
	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
6 Funding for the Academy Trust's Educational Operations					
DfE/EFA Revenue Grants					
General Annual Grant	-	7727	-	7727	4300
Pupil Premium	-	935	-	935	54
Start-up grants	-	-	-	-	250
School Improvement Grants	-	45	-	45	24
Other EFA Grants excluding capital	-	594	-	594	123
Other Government Grants excluding Capital	-	-	-	-	65
Capital grants	-	-	126	126	29
Catering income	55	-	-	55	24
Student placements	-	42	-	42	-
Other Government Grants					
Special Educational Needs Funding	-	229	-	229	89
Other income for Academy Trust's educational activities					
Provision of education services to other schools	-	101	-	101	70
	<u>55</u>	<u>9673</u>	<u>126</u>	<u>9854</u>	<u>5028</u>

Note

7 Resources Expended

	Note	Staff Costs £'000s	Premises Costs £'000s	Other Costs £'000s	Total 2015 £'000s	Total 2014 £'000s
Cost of generating funds:						
Cost of Generating voluntary income		-	7	205	212	67
Fundraising trading		-	-	-	-	91
Academy's Educational Activities						
Direct costs		6000		580	6580	3656
Allocated support costs		1240	1917	1038	4195	2708
		<u>7240</u>	<u>1924</u>	<u>1823</u>	<u>10987</u>	<u>6522</u>
Governance costs	9	-	-	25	25	135
		-	-	25	25	135
TOTAL resources expended		<u>7240</u>	<u>1924</u>	<u>1848</u>	<u>11012</u>	<u>6657</u>

There were no ex gratia/compensation payments.

	2015 £'000s	2014 £'000s
Outgoing resources for the year include:		
Operating leases:		
Other leases	13	5
Minibus leases	11	4

Note
8 Charitable activities

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	Total 2015 £'000s	Total 2014 £'000s
Direct costs - educational operations									
Teaching and educational support staff	469	1974	1756	325	462	804	210	6000	3486
Technology costs	5	4	11	6	1	5	3	35	123
Educational supplies	49	129	78	38	27	19	-	340	70
Examination fees	-	36	-	-	-	-	-	36	32
Staff Development	10	13	18	3	11	6	6	66	33
Educational consultancy	15	4	-	4	-	-	17	40	22
Other direct costs	5	20	14	6	3	14	63	63	49
Total direct costs	553	2180	1877	382	504	847	236	6580	3815
Support costs - educational operations									
Support staff costs	94	330	354	66	111	136	149	1240	1020
Depreciation	69	476	105	279	168	266	-	1363	505
Maintenance of premises and equipment	16	41	31	10	16	33	(5)	142	132
Cleaning	17	53	5	9	15	6	-	105	85
Rent and rates	1	14	7	7	5	3	(6)	31	33
Energy costs	17	97	31	13	10	12	-	180	107
Insurance	13	34	27	11	7	10	2	104	63
Catering	28	14	87	18	26	31	2	205	77
Bank interest and charges	1	-	-	-	-	-	2	3	2
Governance	-	-	-	1	1	-	14	16	135
Other support costs	61	273	313	43	61	96	197	1044	683
Total support costs	317	1332	960	457	418	592	356	4432	2842
Total direct and support costs	871	3512	2837	839	922	1439	592	11012	6657

Note

9 Governance Costs

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	Total 2015 £'000s	Total 2014 £'000s
Legal and professional fees	1			1			(38)	(37)	91
Bank charges		1		6			2	10	2
Auditors' remuneration:									
Audit of financial statements							32	32	18
Supplementary Work Programme							17	17	13
Other advice - accountancy									8
Other advice - VAT							3	3	3
	1	1		7			16	25	135

Note**10 Staff****a. Staff costs**

	Total 2015 £'000s	Total 2014 £'000s
Staff costs during the period were:		
Wages and salaries	5946	3683
Social security costs	380	194
Pension costs	778	374
Supply staff costs	112	171
Staff restructuring costs	24	84
	7240	4506

b. Staff severance payments

Staff severance payments totalling £23,909 (2014: 84,104) were made by the multi academy trust during the year. All staff severance payments were statutory and/or contractual.

Kingsham Primary School

During the financial year an organisational change was entered into in response to issues raised in the 2014 OFSTED inspection which placed the predecessor school in special measures. The consequent restructure addressed three main areas:

1. To improve the quality of teaching that is consistently good or better.
2. To raise the progress of children in Key Stage 1 and Key Stage 2, particularly in writing.
3. To build the capacity of leadership and management to drive improvement.

Following a full consultation, three fixed term teaching posts were terminated, three staff were made redundant and one settlement agreement was put in place. The total redundancy cost was £8,909 and the settlement cost was £15,000. The costs were borne by the school and all payments were no more than the statutory/contractual entitlement.

Mill Chase Academy

During the year further posts were lost following the restructure programme initiated in 2013-14 as a result of falling pupil numbers. A further seven redundancy payments were made in this financial year but were charged to 2013-14 as decisions had been made and communicated before that year end.

A further restructure of the Design and Technology Department was instigated in 2015 with no loss of posts in 2014/15 but with a post being lost in December 2015. All payments were no more than the statutory/contractual entitlement.

Note**10 Staff (cont).****c. Staff numbers**

The average number of persons employed by the trust during the year expressed as a full time equivalent (FTE) was as follows:

	2015 FTE	2014 FTE
<i>Charitable activities</i>		
Teachers	94	132
Administrative support	109	35
Management	12	16
	<u>215</u>	<u>183</u>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 Number	2014 Number
£60,000 - £65,000	5	4
£65,000 - £70,000	1	NIL
£70,000 - £75,000	1	1
£75,000 - £80,000	3	1
£85,000 - £90,000	1	1
£90,000 - £95,000	1	NIL
£100,000 - £105,000	NIL	2
£105,000 - £110,000	2	1

Ten of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015 employer's pension contributions for these staff amounted to £85,648. The other employee participated in the Local Government Pension Scheme; employer's pension contributions in this respect amounted to £7,291.

Note

11 Central Services

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

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

The trust charges a top-slice based on the academy's previous OFSTED category as follows, with the discretion to vary this by +/- 1%.

Outstanding	2%	+/- 1%
Good	3.50%	+/- 1%
Requires improvement	5%	+/- 1%
Serious weaknesses	7%	+/- 1%
Special Measures	8.50%	+/- 1%

All schools are charged 5% in the first year after conversion.

Schools that join the trust after 1 September 2015 will pay a revised top-slice as follows:

Good and outstanding	4%	+/- 1%
Requires improvement	6%	+/- 1%
Serious weaknesses and Special measures	8.50%	+/- 1%

The top-slice is used to deliver school improvement in all of the areas listed above.

The actual amounts charged during the period were as follows:

	2015 £'000s	2014 £'000s
Frogmore Junior School	55	64
Mill Chase Academy	230	220
Flying Bull Academy	64	26
Berewood Primary School	29	0
Fernhurst Primary School	25	0
Kingsham Primary School	90	0
	493	310

Note Central Services (cont.)

11

A direct reinvestment of top-slice was made during the year to Frogmore Junior School of £55,272 and Mill Chase Academy of £100,000.

The trust's central costs, excluding those spent on start-up costs for which it received funding, were £589,616 hence there was a shortfall on the provision of central services of £240,472; this has been financed by the University loan.

Note

12 Related party transactions - Trustees' Remuneration and Expenses

The Director of Academies and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Director of Academies and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the trust in relation to their role as trustee. The value of individual trustees' remuneration, including pension and social security payments, was as follows:

Sue Samson (CEO and trustee - appointed 1 December 2014)

Remuneration £85,000 - £90,000 (2014: nil)

Employer's pension contributions Nil (2014: nil)

Deamonn Hewett Dale (trustee and member of staff - appointed 15 December 2014)

Remuneration £90,000 - £95,000 (2014: £nil)

Employer's pension contributions £11,828 (2014: nil)

Richard Edwards (trustee and member of staff)

Remuneration £55,000 - £60,000 (2014 £40,000 - £45,000)

Employer's pension contributions £6,173 (2014:£4,810)

No expenses were reimbursed to trustees.

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

Note

13 Trustees' and Officers' Insurance

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance cover provides up to £2,000,000 cover on any one claim and in the aggregate in any one period of insurance. The cost for the period was £1,343 (2014:1,253). The cost of this insurance is included in the total insurance cost.

Note 15 Debtors

	2015 £'000s	2014 £'000s
Trade debtors	48	67
VAT recoverable	756	245
Prepayments and accrued income	207	72
	<u>1011</u>	<u>384</u>

Trade debtors
VAT recoverable
Prepayments and accrued income

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Femhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	TOTAL 2015 £	TOTAL 2014 £
Trade debtors	3	27	13	-	-	-	5	48	68
VAT recoverable	72	213	99	22	24	38	288	756	244
Prepayments	21	4	27	21	4	10	-	87	33
Accrued income	7	29	52	6	6	20	-	120	39
	<u>103</u>	<u>273</u>	<u>191</u>	<u>49</u>	<u>34</u>	<u>68</u>	<u>293</u>	<u>1011</u>	<u>384</u>

Trade debtors
VAT recoverable
Prepayments
Accrued income

Note

16 Creditors - amounts falling due within one year

	2015 £'000s	2014 £'000s											TOTAL 2015 £	TOTAL 2014 £
			Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s					
Loan from University of Chichester	50	829							50				50	829
Loan from WSCC for solar panels	3	-					3		-				3	-
Trade creditors	687	241	27	67	113	19	50	37	373				687	241
Taxation and social security	90	86	9	40	-	7	-	-	34				90	86
Pensions	73	80	8	31	-	6	-	-	28				73	80
Accruals and deferred income	181	468	20	40	16	13	21	18	53				181	468
Other creditors	8	51	-	-	1	-	-	-	7				8	51
Total creditors falling due within one year	1092	1755	64	178	130	45	74	55	545	1092	1755			

The loan from the University represents re-charges of staff and other costs from the date of incorporation until the end of January 2015. The re-charges have been made at cost and stand at £562,475 at the end of the year. The Education Funding Agency granted retrospective permission for this loan arrangement on 23 October 2015. As the loan agreement was not in place in 2014 the total amount outstanding was shown in creditors due within one year last year.

Note**16 Creditors - amounts falling due after one year (cont).**

	2015 £'000s	2014 £'000s
Loan from University of Chichester		
Within two to five years	283	-
Within five to seven years	229	-
Total	512	-
Loan from West Sussex County Council		
Within two to five years	10	-
Within five to seven years	3	-
Total	13	-

Deferred income

	2015 £'000s	2014 £'000s
Deferred income at 1 September 2014	165	Nil
Amounts released from previous years	(123)	165
Deferred income at 31 August 2015	42	165

At the balance sheet date the multi academy trust was holding funds received in advance for Rates Relief income of £12,459 (2014: Nil); Universal Free School Meals grant income of £22,440 (2014: £23,790); and school trips monies received in advance of £7,275 (2014: £4,210).

17 Funds

	Balance at 1 Sept 2014 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2015 £'000s	Balance at 31 August 2014 £'000s
Restricted General Funds						
Transfer from Local authority on conversion						
Budget surplus on Local Authority funds	-	86	86	-	-	1356
General Annual Grant	193	7727	7172	(47)	701	(1233)
Other DFE/EFA grants	-	1574	1574	-	-	-
SEN funding	-	229	229	-	-	-
Provision of curriculum services to other schools	-	101	101	-	-	70
Student placements	-	42	42	-	-	-
Other income	-	27	27	-	-	-
Sundry	-	5	5	-	-	-
Investment income	-	2	2	-	-	-
Defined benefit pension scheme deficit	(761)	(264)	71	52	(1044)	(761)
	(568)	9529	9309	5	(343)	(568)
Restricted fixed asset funds						
Balance at 1 September 2014	20743	126	1327	-	19542	20714
Transfer from local authority on conversion	-	20725	-	-	20725	-
DFE/EFA capital grants	-	-	-	-	-	29
Capital expenditure	-	-	-	188	188	-
	20743	20851	1327	188	40455	20743
Total restricted funds	20175	30380	10636	193	40112	20175
Unrestricted Funds						
Unrestricted Funds	25	504	376	(141)	12	25
Total unrestricted funds	25	504	376	(141)	12	25
Total funds	20200	30884	11012	52	40124	20200

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

Restricted general funds include net assets transferred from the Local Authorities on conversion and all grant income received from the EFA/DFE or Local Authority during the period. This fund is restricted to providing education at the academies within the multi academy trust. Under the funding agreement with the Secretary of State the multi academy trust is subject to a limit on the amount of General Annual Grant that it can carry forward at 31 August 2015 for Berewood Primary School.

Restricted fixed asset funds comprise the leasehold land and buildings transferred to the multi academy trust on conversion and held on 125 year leases together with Devolved Formula Capital Grant for the period. Some of the latter has not been spent and will be carried forward for use in future years.

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

Note

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total Funds £'000s
Tangible fixed assets	-	(128)	40455	40327
Current assets	12	2446	-	2458
Current liabilities	-	(1092)	-	(1092)
Creditors: amounts falling due after one year	-	(525)	-	(525)
Pension scheme liability	-	(1044)	-	(1044)
Total net assets	12	(343)	40455	40124

	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s	Fernhurst Primary School £'000s	Kingsham Primary School £'000s	UniCAT £'000s	TOTAL 2015 £	TOTAL 2014 £
Funds attributable to each academy:									
Unrestricted Funds	(1)	142	(97)	(14)	5	(24)	1	12	25
Restricted General Funds	67	785	(5)	108	(41)	36	(1293)	(343)	(568)
Restricted Fixed Asset Funds	2939	12501	4801	9891	3977	6345	-	40455	20743
Total funds	3006	13428	4699	9985	3940	6357	(1292)	40124	20200

The central trust has provided a team of experts to provide support to its academies in a wide number of areas. At the present time, with only six academies, there are very few economies of scale and the cost per school is high. As the trust expands it will benefit from economies of scale and will generate more income to offset these costs.

Note

19 Capital Commitments

There are no capital commitments contracted for but not provided in the financial statements.

Note

20 Financial Commitments

Operating leases

At 31 August 2015 the trust has annual commitments under non-cancellable operating leases as follows:

	2015 £'000s	2014 £'000s
Other		
Expiring within one year	1	NIL
Expiring within two and five years inclusive	31	9

Note 21 Reconciliation of Net income to Net cash inflow from Operating Activities

	2015 £'000s	2014 £'000s
Net income	19872	20293
Transfer of land and buildings from local authority on conversion	(20725)	(21045)
Transfer of cash on conversion	(86)	(1356)
Transfer of pension liability on conversion	264	638
Depreciation	1363	505
Capital grants from EFA and other capital income	(126)	(29)
Interest receivable	(2)	
FRS17 pension cost less contributions payable	71	30
(Increase) in debtors	(627)	(384)
(Decrease)/Increase in creditors	(138)	1756
Net cash outflow from Operating Activities	<u>(134)</u>	<u>408</u>

Note

22 Returns on investment and servicing of finance

Interest received	<u>2</u>	-
Net cash inflow from returns on investment and servicing of finance	<u>2</u>	-

Note

23 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(252)	(174)
Capital grants from DfE/EFA	<u>126</u>	<u>29</u>
Net cash inflow from capital expenditure and financial investment	<u>(126)</u>	<u>(145)</u>

Note

24 Analysis of Changes in Net Funds

	At 1 Sept 2014 £'000s	Cash flows £'000s	Cash transferred on conversion £'000s	At 31 August 2015 £'000s
Cash in hand and at bank	1619	(258)	86	1447

Note

25 Guarantees, Letters of comfort and Indemnities

No guarantees, letters of comfort or indemnities were provided during the year.

Note

26 Contingent Liabilities

There were no contingent liabilities.

Note

27 Members' Liability

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

Note

28 Pension and similar obligations

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

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

Contributions amounting to £52,919 (£2014 £52,508) were payable to TPS at 31 August 2015. Contributions amounting to £20,451 (2014 £28,203) were payable to LGPS at 31 August 2015.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and the subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £813,787

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

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

Note

28 Pension and similar obligations
Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £356,945 (2014 £150,715) of which employer's contributions totalled £274,415 (2014 £112,571) and employees' contributions totalled £82,530 (2014 £38,143). The agreed contribution rates for future years are 21% for the employer and 6.5% for employees.

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

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

Frogmore Junior School £6,900 per annum
Mill Chase Academy £26,900 per annum
Flying Bull Academy £29,500 per annum

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

Principal Actuarial Assumptions - Hampshire County Council

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.5%	3.60%
Rate of increase for pensions in payment/inflation	2.0%	2.10%
Discount rate for scheme liabilities	3.8%	3.70%
Inflation assumption (CPI)	2.0%	2.10%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	24.5	24.4
Females	26.3	26.2
<i>Retiring in 20 years</i>		
Males	26.6	26.5
Females	28.6	28.5

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

	Fair value at 31 August 2015 £'000s
Frogmore Junior School	
Equities	76
Property	11
Government bonds	34
Corporate bonds	2
Cash	4
Other	5
Total market value of assets	133
Present value of scheme liabilities - Funded	(179)
Deficit in the scheme	(46)

Note

28 Pension and similar obligations

	Fair value at 31 August 2015 £'000s
Mill Chase Academy	
Equities	421
Property	60
Government bonds	189
Corporate bonds	12
Cash	24
Other	26
Total market value of assets	733
Present value of scheme liabilities - Funded	(1113)
Deficit in the scheme	(380)
	Fair value at 31 August 2015 £'000s
Flying Bull Academy	
Equities	380
Property	54
Government bonds	170
Corporate bonds	11
Cash	22
Other	23
Total market value of assets	660
Present value of scheme liabilities - Funded	(981)
Deficit in the scheme	(321)
	Fair value at 31 August 2015 £'000s
Berewood Primary School	
Equities	10
Property	1
Government bonds	4
Corporate bonds	
Cash	1
Other	1
Total market value of assets	17
Present value of scheme liabilities - Funded	(22)
Deficit in the scheme	(5)

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

The actual return on scheme assets was:

Frogmore Junior School £5,000
 Mill Chase Academy £27,000
 Flying Bull Academy £23,000
 Berewood Primary School £NIL

Amounts recognised in the statement of financial activities

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

Note

28 Pension and similar obligations

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

	2015			
	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s
At 1 September	(154)	(1020)	(819)	NIL
Current service cost	(21)	(93)	(131)	(18)
Interest cost	(5)	(40)	(33)	NIL
Employee contributions	(6)	(22)	(32)	(5)
Actuarial gain	7	44	42	1
Benefits paid out		23	28	
Past service cost		(5)	(36)	
Closing present value	(179)	(1113)	(981)	(22)

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

	2015			
	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s
At 1 September	103	632	497	NIL
Expected return on assets	7	39	33	
Actuarial loss	(3)	(13)	(12)	
Employer contributions	20	76	138	12
Employee contributions	6	22	32	5
Benefits paid out		(23)	(28)	
Closing fair value	133	733	660	17

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

	2015			
	Frogmore Junior School £'000s	Mill Chase Academy £'000s	Flying Bull Academy £'000s	Berewood Primary School £'000s
Present value of defined benefit obligations	(179)	(1113)	(981)	(22)
Fair value of share of scheme assets	133	733	660	17
Deficit in the scheme	(46)	(380)	(321)	(5)

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

(3) (13) (12)

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

- - - 1

Principal Actuarial Assumptions - West Sussex County Council

	At 31 August 2015
Rate of increase in salaries	4.0%
Rate of increase for pensions in payment/inflation	2.6%
Discount rate for scheme liabilities	3.7%
Inflation assumption (CPI)	3.5%

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

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

Note

28 Pension and similar obligations

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

	Fair value at 31 August 2015 £'000s
Fernhurst Primary School	
Equities	145
Property	16
Bonds	33
Cash	10
Total market value of assets	<u>204</u>
Present value of scheme liabilities - Funded	<u>(316)</u>
Deficit in the scheme	<u>(112)</u>
	Fair value at 31 August 2015 £'000s
Kingsham Primary School	
Equities	255
Property	57
Bonds	29
Cash	18
Total market value of assets	<u>359</u>
Present value of scheme liabilities - Funded	<u>(539)</u>
Deficit in the scheme	<u>(180)</u>

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

The actual return on scheme assets was:

Fernhurst Primary School £8,000

Kingsham Primary School £14,000

Amounts recognised in the statement of financial activities

	2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
Current service cost (net of employee contributions)	32	54
Past service cost		
Total operating charge	<u>32</u>	<u>54</u>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets		
Interest on pension liabilities	(10)	(18)
Pension finance income/(costs)	<u>(10)</u>	<u>(18)</u>

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

	2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
At 1 September	(264)	(451)
Current service cost	(32)	(54)
Interest cost	(10)	(18)
Employee contributions	(6)	(12)
Actuarial gain	(4)	(4)
Benefits paid out		
Past service cost		
Closing present value	<u>(316)</u>	<u>(539)</u>

Note

28 Pension and similar obligations

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

	2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
At 1 September	165	286
Expected return on assets	10	18
Actuarial loss	(2)	(4)
Employer contributions	25	47
Employee contributions	6	12
Benefits paid out		
Closing fair value	<u>204</u>	<u>359</u>

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

	2015	
	Fernhurst Primary School £'000s	Kingsham Primary School £'000s
Present value of defined benefit obligations	(316)	(539)
Fair value of share of scheme assets	<u>204</u>	<u>359</u>
Deficit in the scheme	<u>(112)</u>	<u>(180)</u>
Experience adjustments on share of scheme assets (£'000s)	(2)	(4)
Experience adjustments on share of scheme liabilities (£'000s)	-	-

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is £41,000

The adoption of FRS102 in the next accounting period removes the requirement to recognise an expected return on assets item in the statement of financial activities charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumptions at the start of the accounting period, assumptions for the expected return on assets are not required at the accounting date.

Note

29 Related Party Transactions

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

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

- Financial support in the form of a loan
- Provision of seconded staff to work for the Trust (7 full time and 5 part time)
- Provision of staff from the Institute of Education to deliver school improvement services to schools
- IT services
- Marketing and Communications
- Estates
- Health and Safety
- Library services

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

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

A loan agreement is in place for an amount of £582,000 and the balance outstanding is £562,475. The loan is unsecured and there is no interest charge and no penalties for early repayment. Details of the repayments are shown in Note 16 to the accounts.

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

Service	Direct costs
Seconded staff	520,383
School improvement services from Institute of Education	49,851
IT services – included in seconded staff cost	Nil
Marketing and Communications – included in seconded staff cost and some additional direct costs	15,104
Estates – included in seconded staff cost	Nil
Health and safety – included in seconded staff cost	Nil
Library services	Nil
Total	£585,338

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

- Mill Chase £2,725
- Flying Bull £2,465
- Kingsham £2,720
- Fernhurst £615
- Berewood £50

Fernhurst Primary School received £1,058 from the University for some PGCE students who were placed at the school.

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

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

Note

30 Events after the balance sheet date

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

Note

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

Three academies joined the University of Chichester (Multi) Academy Trust during the year. They are Berewood Primary School, Fernhurst Primary School and Kingsham Primary School.

All three transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

Berewood Primary School

On 1 September 2014 Berewood Primary School opened as the Trust's first brand new school. The school had been built by Hampshire County Council and all the operations, assets and liabilities were transferred to the University of Chichester (Multi) Academy Trust for £nil consideration.

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

	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total Funds £'000s
Tangible fixed assets				
Leasehold land and buildings	-	-	10000	10000
Donated IT assets	141	-	-	141
Net assets/(liabilities)	<u>141</u>	<u>-</u>	<u>10000</u>	<u>10141</u>

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with Hampshire County Council. No cash was transferred on conversion and there was no pension deficit as it was a brand new school.

Note**31 Academies that joined the University of Chichester (Multi) Academy Trust during the period.**Fernhurst Primary School

Fernhurst Primary School also joined the Trust on 1 September 2014. The school had previously been with West Sussex County Council and was transferred from them for £nil consideration.

The following table sets out the fair values of identifiable assets and liabilities transferred and an

	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total Funds £'000s
Tangible fixed assets				
Leasehold land and buildings	-	-	4125	4125
Budget surplus on LA funds	-	37	-	37
LGPS pension deficit	-	(99)	-	(99)
Loan for solar panels	-	(18)	-	(18)
Net assets/(liabilities)	-	(80)	4125	4045

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with West Sussex County Council. The above net assets include £36,959 that was transferred as cash.

Kingsham Primary School

Kingsham Primary School was the third school to join the Trust on 1 September 2014. Like Fernhurst, the school had previously been with West Sussex County Council.

The following table sets out the fair values of identifiable assets and liabilities transferred and an

	Unrestricted Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total Funds £'000s
Tangible fixed assets				
Leasehold land and buildings	-	-	6600	6600
Budget surplus on LA funds	-	49	-	49
LGPS pension deficit	-	(165)	-	(165)
Net assets/(liabilities)	-	(116)	6600	6484

The leasehold land and buildings were transferred to the University of Chichester (Multi) Academy Trust under a 125 year lease with West Sussex County Council. The above net assets include £48,596 that was transferred as cash.

