

Company Registration No. 08108086 (England and Wales)

CHESHIRE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



Cheshire Academies Trust
Inspiring hearts and minds

CHESHIRE ACADEMIES TRUST

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CHESHIRE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Myers (Resigned February 2021)
J Lucy
D Haworth
A Ashley (Appointed 1 September 2020)
R Bowman (Appointed 1 September 2020)
T Harrop (Appointed 1 September 2020)
N Ankers (Appointed 5 October 2020)

Trustees

A Brennan
M Huber
R Hughes
J Myers (Chair)
J Sandford
P Woodhouse
W M Griffin (Appointed 6 October 2020)
S Price (Appointed 6 October 2020 and resigned 5 October 2021)
E Wright (Appointed 6 October 2020)
G Mason (Appointed 8 December 2020)

Senior management team

- Director of Operations	L Jones
- Principal (Mill View)	K Doyle
- Principal (Kelsall)	D Wearing
- Principal (Boughton Heath), CEO & Accounting Officer	S Ellis
- Principal (Bexton Primary School)	E Armstrong
- Principal (Manor Park School & Nursery)	S Cotterill

Company registration number 08108086 (England and Wales)

Principal and registered office c/o Kelsall Primary School
Flat Lane
Kelsall
Tarporley
Cheshire
CW6 0PU

CHESHIRE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Bankers

Lloyds Bank PLC
8 Foregate Street
Chester
Cheshire
CH1 1XP

Solicitors

VWV
2nd Floor, 3 Brindley Place
Birmingham
B1 2JB

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

For the period 1 September 2020 to 31 August 2021, the Trust operated four primary academies and a teaching school. On 1st January 2021 a fifth academy joined the Trust. Trust academies have a combined pupil capacity of 1,513 and had a roll of 1,426 on 31 May 2021. The status of Trust academies is currently as follows:-

Academy Name	Date Joined the Trust	PAN	No. on roll 31.05.2021
Bexton Primary School	01.08.2019	500	479
Boughton Heath Academy	01.01.2015	210	216
Kelsall Primary School	01.01.2015	240	255
Manor Park School	01.01.2021	353	264
Mill View Primary School	01.01.2015	210	212
Total		1,513	1,426

Structure, governance and management

Constitution

The multi-academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust. The Trustees of Cheshire Academies Trust (CAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cheshire Academies Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Method of recruitment and appointment or election of trustees

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

The Board has actively recruited Trustees and members with relevant skills and/or links to academy communities and has done so via existing links and recruitment portals such as Inspiring Governance. The appointment of suitable candidates begins with an initial telephone interview with the Chair followed by a formal written application which is reviewed by the appointing Board. References are sought to ensure the suitability of candidates.

In previous years' new Trustees would be invited to visit academies and meet Principals as part of their induction programme. School visits have been restricted as a result of COVID-19. New Trustees have been provided with an online induction pack (which includes information about their role and Trust academies) and invited to attend an online induction, led by the Chair.

On 31st August 2021 the Board comprised 10 co-opted Trustees with professional backgrounds in governance, HR, finance, educational senior leadership, risk management, law, estates management, marketing and strategy.

The Trust's Articles were updated on 30 June 2020 to remove the requirement for the Chair to fulfil a member role. This change was brought about to ensure absolute separation between Members and the Board. Janet Myers, the current Chair of the Board, resigned her role as a member in February 2021, following the completion of a member recruitment programme.

The Board was pleased to welcome Mike Griffin, Emlyn Wright and Sarah Price as Trustees in October 2020 and Geoff Mason in December. Mike joined the Board from the Mill View Primary School community, with significant professional experience in marketing and strategy. Both Sarah and Emlyn joined the Board with professional experience of senior educational leadership and governance. Geoff was formerly Chair of Governors at Manor Park and successfully led them through the conversion process. Geoff joins the Board with significant experience in business strategy and leadership.

Richard Bowman, Alison Ashley, Nick Ankers and Terry Harrop joined as members in September and October 2020. Richard is experienced in governance in the local community and Alison is a former CAT Trustee. Nick Ankers and Terry Harrop, the former Chair and Vice Chair of Governors at Kelsall Primary School and bring with them significant experience of governance in the local community and from within the Trust.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

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

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

During the year, Trustees were offered whole Trust training on Ofsted, the Scheme of Delegation, the Trust's Articles and on how to triangulate information. They also had access to online training through the National Governance Association's Learning Link. Trustees have participated in the National Governance Association's Board Development Programme. As part of this programme, they have completed an online Board self-evaluation, which considers the effectiveness of their work, and created a governance development plan to deliver improvements in the areas that they identified for development:

- communication between the Trust Board and the local governing bodies;
- building capacity and experience on the Trust Board;
- encouraging ownership and buy-in to the Trust's vision and strategy.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

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

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

The Trust's executive leadership team is the CEO and Principal of Boughton Heath Academy, the Trust's Director of Operations who fulfils the role of Chief Financial Officer, the Principal of Kelsall Primary School, the Principal at Mill View Primary School and the Principal of Bexton Primary School. In January 2021 this group was joined by Simon Cotterill, Principal at Manor Park School and Nursery. These leaders control the Trust at an executive level and, in the case of the Principals at individual academies, implement the policies set down by the Trustees and are accountable to them for the performance of each school.

The CEO leads the Trust executive leadership team and is held accountable by the Board for the performance of the academies. During the period 1 September – 31 December 2020 the role was 0.5fte. This was increased to 0.6fte for the period 1 January – 31 August 2021. From 1st September 2021 the role of CEO in the Trust is permanently full time.

The Board has two committees through which it delegates its duties. The resources committee met in September, November, February, May and June. The standards committee met in October, January and May. Meetings took place remotely.

The Trust employs two governance professionals to clerk the Trust Board and the Local Governing Boards (LGBs). Both clerks are highly skilled and experienced. The Trust clerk is completed the accredited NGA Clerks' Programme in May 2021. LGB meetings at Manor Park are clerked by a local authority governance professional whose services are engaged on an annual contractual basis.

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

During the year the Chair of the Board met remotely with all academy chairs individually and at termly chairs meetings to enable discussion regarding their roles and the direction of academies and the Trust. The Chair, CEO and Director of Operations attended LGB meetings regularly throughout the year and there were opportunities for Trust clerks to meet and share information during the year.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the CEO is decided by the Trust Board on recommendation from the appraisal panel which includes representatives from the Board of Trustees and an external advisor.

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

The pay and remuneration for the Director of Operations is decided by the Board of Trustees on recommendation from the appraisal panel which includes the CEO and a representative from the Board of Trustees.

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Related parties and other connected charities and organisations

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

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

A core grant of £40,000 was paid to Kelsall Primary School by the DfE in 2020-2021. This is the final grant received from the DfE, as Teaching Schools were decommissioned in March 2021 and have been replaced by 87 Teaching School Hubs (TSH) nationwide.

CLTA was approached by the Cheshire TSH to become a strategic partner, and David Wearing was asked to be a member of the Hub's Strategic Board. Both David Wearing and Carole Farrell have met with the Cheshire Hub Director, Ed Leighton, and have formed a very positive relationship.

From September 2021 CLTA will be delivering the newly reformed Early Career Teacher training to 40 newly qualified teachers and their Mentors from Cheshire West primary schools. The training will be facilitated by Steve Meredith, CLTA School Direct QA Lead Mentor and is a blend of remote and face to face training each half term for 2 years.

David Wearing will also be delivering the newly reformed NPQs.

The Hub has confirmed CLTA can continue to run the School Direct ITT Programme and CPD courses independently.

1. School-led Initial Teacher Training

19 Associate Teachers (ATs) started the School Direct programme in September 2020. 1 AT withdrew after the spring term and 18 completed the programme successfully. The teaching school received funds of £96,688 from the University of Chester to facilitate this programme. £4,000 was also received from the DfE for a Salaried AT, making a total of £100,688. Associate Teachers were based in 10 of the CLTA Alliance/ Partner schools and received training provided by Chester University (PGCE Element) and from CLTA (Professional Training).

Trainers are carefully selected to ensure the course is of the highest possible standard. Feedback forms completed by ATs at the end of each training session are scrutinised for quality assurance. The training was a mix of remote and face to face sessions, dependent on the Covid 19 restrictions in place at the time.

11 ATs have secured positions in schools locally or beyond, in a competitive jobs market. The remaining 7 have joined supply agencies and continue to actively seek employment in a primary school environment.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2. Professional and Leadership Development

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

NPQML: 18 participants generating a gross income of £5,040 and a net profit of £4,090.

NPQSL: 22 participants generating a gross income £7,920 and a net profit of £6,660.

In view of the Covid restrictions, Star Institute changed the delivery format to a blend of online training and face to face. They therefore reduced the participant fee paid to CLTA because Star facilitated some of the remote sessions themselves. This is why the income generated is less than in previous years.

CPD was greatly impacted by the Covid restrictions. 9 courses were run remotely producing a revenue of £7,815 and a net profit of £4,615.

CLTA continued to work closely with CWEIB and Ignite TSA to host half termly SENCo Networking Cluster Meetings. The meetings were all remote this year but were still hugely successful with 50/60 attendees per session. These meetings are funded by CWEIB. CLTA received £50 per half term to cover associated administration costs.

3. School to School Support

Unfortunately, few SLEs have been able to visit schools due to Covid restrictions. Cheshire West and Chester Council commissioned 3 SLEs during the year to provide support for 3 schools in Literacy and Maths.

Objectives and activities

Objects and aims

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

Our aim is to build a Trust of unique schools, capable of supporting self-improvement through care, collaboration and creativity.

The wider aims of the Trust are:

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

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

The Trust worked on its priorities for the year ended 31 August 2021 which were:

- Strategic Vision
- Financial Health and Human Resources
- Leadership and Governance
- School Improvement and Accountability Framework
- Quality Assurance
- Risk Assessment and Mitigation

Public Benefit

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

Cheshire Academies Trust Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Key performance indicators

Performance mechanisms and indicators were revised mid-way through the academic year to better provide useful information to the Board. They included mechanisms such as appraisal systems, risk management processes in addition to statutory results that provide hard metrics.

The Trust's priority performance drivers and their links were translated into KPIs to allow the Board to accurately assess performance in each of the strategic priority areas:

1. Strategic Vision and Networks

Pupil numbers

2. Financial Health and HR

Three-year budget forecasts

Contextualised in-year balances

Average spend on staffing and non-staffing costs

3. Leadership and Governance

Staff feedback

Parent feedback

Governor attendance

Governor vacancies

4. School Improvement and Accountability

Academy self-evaluation judgements

Statutory outcomes

Pupil attendance

Trust safeguarding review outcomes

5. Quality Assurance

School tier classification

Compliance with Academies Trust Handbook

6. Risk Assessment and Mitigation

School RAMP summary score

External audit outcomes

Internal scrutiny programme outcomes

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

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

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, such as pupil premium grant, universal free school meal grant or the teacher pay grant. Some of the income from these grants is restricted to particular purposes. Income is also generated through the Teaching School (CLTA). The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Bexton Primary School generates funds from an out of hours' provision and via private nursery fees. Whilst both of these operations were impacted by Covid, both had achieved their original income targets at the end of the financial year. There is a long term need for additional capacity at the out of hours' provision. It is planned that the additional capacity will be met through the building of a dedicated space, which the LGB plans to fund from revenue reserves. Work is expected to begin on the new build in 2022.

Bexton received devolved formula capital (DFC) from the ESFA and this along with a prior year DFC carry forward was spent in full in the year, on building improvements and technology advancements. Bexton resubmitted their Condition Improvement Fund (CIF) bid for roof replacement in the year, but was unsuccessful for a second time. The condition of the roof continues to deteriorate and the Trust is working with Bexton to agree a long term solution.

Boughton Heath Academy generates funds from an out of hours' provision and from their school meals. Both were impacted by Covid in the year. No profit was generated from the out of hours' provision and the kitchen achieved less than 50% of their original income target. Despite this reduction in expected funds there was significant capital investment at Boughton Heath in year funded from revenue reserves, DFC and a grant from the MBNA Community Fund. Developments included the installation of a multi-use games area (MUGA), new fencing and significant technology purchases.

Kelsall Primary School generates funds from private nursery fees, an out of hours' provision and catering. There was no financial impact on the nursery or kitchen as a result of Covid but the out of hours' provision operated at a financial loss that was offset by revenue reserves. In the year the LGB approved the use of revenue reserves to fund capital improvements that included the installation of a MUGA and refurbishment of netball pitches. In the event, the work on the netball pitches was delayed until the Autumn term 2021.

Kelsall received Section 106 funding from Cheshire West and Chester Council to fund the second phase of a classroom expansion project. The full amount of the funding was spent in-year. Kelsall has also committed revenue reserves to the project which will be used to deliver improvements to the fencing and landscaping around the additional classroom area, in the next financial year.

Manor Park joined the Trust in January 2021. Their end of year revenue reserve was generated primarily from their funds transfer from the LA and the balance of their school fund at 31 December 2020.

Mill View Primary School also generates funds through their out of hours' provision and school meals. The out of hours' provision was significantly impacted by Covid resulting in an 80% reduction in expected income. As a result, there was a ring-fenced redundancy process resulting in two members of staff reducing their hours, one being re-deployed and one accepting voluntary redundancy.

Mill View spend their DFC allocation on building and technology improvements. There was also development of the EYFS outdoor area which was funded via a grant from the MBNA Community Fund. Mill View's revenue reserves are earmarked by the LGB to fund the building of a nursery classroom. The build is expected to start in Spring 2022.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The financial and operational impact of Covid-19 throughout the year was mixed. Out of hours, catering and nursery provisions were all impacted by both the reduction in use during periods when schools had to move to online learning and by a general reduction in overall need, the cause of which was identified as a change in families working arrangements. As a result, some of the staff in these provisions were furloughed during the national lockdown and the Trust received funding from the furlough scheme. By the end of the summer term use of all of these provisions had recovered significantly.

All Trust academies received Covid-19 Catch Up Grants totalling £97,010 in the year. The grants were spent in full and predominantly funded the purchase of IT equipment such as laptops to facilitate online learning or met the cost of additional staffing to provide additional phonics sessions, speech and language interventions and one to one time with teaching assistants and learning mentors.

Operationally, there were and continue to be, times throughout the year when staff absence due to Covid-19 was high. All academies found it significantly more difficult to source supply staff than it had been pre-pandemic. Financially all academies are carrying higher levels of reserves as a result of Covid-19. This is not as a result of savings but as a result of spending plans, in particular capital development plans being delayed during the year.

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

Overall, funds held by each academy increased in the year ended 31 August 2021 due to a revenue surplus of £389,035 (2020: £188,334.) This was primarily because academies are purposely earmarking funds for capital development that was not scheduled to take place until 2022.

At 31 August 2021 the net book value of fixed assets was £17,966,936. Movement in tangible assets is shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils in the Trust and the operation of CLTA.

During the year ended 31 August 2021, total revenue expenditure excluding depreciation of £6,533,971 was met by recurrent grant funding from the ESFA together with other incoming resources.

Reserves policy

The Board of Trustees reviews the Trusts' Reserves Policy on a triennial basis and last did so in June 2020.

Fund balances at 31 August 2021 were as follows:-

	2021	2020
Revenue restricted	1,137,308	790,498
Revenue unrestricted	430,923	388,698
Pension deficit	(4,190,000)	(2,324,000)
Fixed asset restricted	17,966,936	12,239,235

Academy reserve balances are currently higher than the Trust would expect them to hold. In the case of three academies and CLTA, this is as a result of funds being ring-fenced for capital developments which are not planned to take place until 2022 or 2023.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Outside of reserves earmarked for capital development, all academies held surplus balances at the end of the year that were greater than originally planned for. This was as a direct result of Covid-19 and the inability to spend funds in year, as originally planned. Reasons for this include inability to appoint contractors and secure required resources as well as the need to focus on different priorities, such as delivering online learning, which meant the time that may have been allocated towards developments and delivering spending plans, was no longer available.

Trustees are satisfied that the increase in reserves at year end do not represent 'savings' as a result of Covid-19 but are earmarked funds which will be incorporated into 2021-2022 spending plans.

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

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

- 24.70% Bexton Primary School
- 23.80% Boughton Heath Academy
- 22.40% Kelsall Primary School
- 25.80% Manor Park from 1 April 2021 onwards (25.80% 1 January - 31 March 2021)
- 21.50% Mill View Primary School

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

The Trust met its obligations in respect of auto-enrolment for all eligible employees under the Pensions Act 2008. There was one in-year retirement at Boughton Heath Academy. There is no material change to the LGPS membership at any individual academy.

Investment policy

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

The Trust had no investments at 31 August 2021.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Trust reviewed its approach to risk management during the year. The risk management policy clearly outlines the responsibilities of the Board, local governing bodies, academy principals and other staff in regards to managing risk and the appropriate steps to take in order to manage risk. The Trust categorises risk into nine key strategic areas:

- Strategic
- Governance
- Compliance
- Financial
- Educational
- HR/Legal
- Estates
- Covid-19
- Reputational

The Board has considered the major risks to which the Trust is exposed in each of these areas and applies the 'four T's' strategy to agree how the risks will be managed. These are to 'Tolerate', 'Treat', 'Transfer' or 'Terminate'. The process ensures that new risks are properly identified, reported and evaluated; that risks are considered as part of new project appraisals; and significant failures of control are properly reported and addressed; there is an adequate level of understanding of individual responsibility for implementing and monitoring control systems; further actions are identified; that the Board consider and review the annual process and that they are provided with relevant and timely interim reports.

To provide a systematic means of compliance, the Trust and its constituent academies hold an individual Risk Assessment and Mitigation Plan (RAMP) which seeks to pull together the key aspects of the risk management process.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

The Trust itself investigates non-governmental grant awarding bodies which may be in a position to assist it in achieving its charitable aims and submits formal applications for such grants. During the year the Trust received £74,000 (2020: £1,200) from such sources. These funds were received at Boughton Heath Academy (£35,000) and Mill View Primary School (£35,000) from the MBNA Community Fund by way of contributions to developing the outdoor areas. The Trust received £4,000 from the ESFA's Digital Education Platform in order to set up MS Teams for pupils and staff.

Each Trust academy also has an appropriately constituted Parent Teacher Association (PTA). These solicit donations, primarily from parents, for specific projects, through organising Christmas and summer fairs, school discos, parents' social evenings etc. Opportunities to raise funds via these sorts of events were limited in 2020-2021.

No professional fundraisers or commercial participators were used to assist any PTA during the year in its activities (2020: None) and no complaints were received by the Trust or any persons acting on its behalf about activities by the charity or any persons acting on its behalf in fundraising (2020: None).

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

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Trust intends to continue to work as a family of academies that remain unique, but are supported by aligned financial and school improvement structures. Decision making is deliberately devolved to a local level to allow the Trust to focus on setting the conditions for success, so that leaders may continue to inspire teachers, who will, in turn, provide a great education to their children.

In recent years' significant steps have been taken to further strengthen leadership and governance at all levels of the Trust and this will continue to be a priority moving forwards. In year, the Board has expanded its range of skills and experience at Board and Member level and expanded executive capacity, with the intention to support growth.

The Trust believes that careful growth will realise significant benefits for the children and staff in both converting academies and existing Trust academies. When the Trust reaches an appropriate size, the Board will formally create two geographically based hubs so that collaborative support can be more effective. Expertise and skill will continue to be shared across the entire MAT to provide career opportunities and collaborative peer support. As the Trust expands, we will recruit to key positions in the central team, to support growth and school improvement.

Through care, collaboration and creativity Trust academies will collectively support and peer review their approaches to education. They will have consolidated the systems and structures to sustainably drive improvement within their own unique communities, offering challenge and support to each other, while being supported within a framework to enable robust financial management.

The wellbeing of staff will remain a priority across the Trust. We will support our schools to provide the very best professional development and career opportunities in order to sustain standards at all levels. The Trust's commitment to supporting external schools, as well as contributing to local and national networks, will continue to be a priority.

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

The Trust continues to create alliances and be actively involved with local schools to engage in discussions around school improvement. This is most notably done through the Trusts' teaching alliance CLTA, which will continue to work with primary schools in the local area, despite the formal de-delegation of teaching schools, earlier this year.

Funds held as custodian trustee on behalf of others

At 31 August 2021 the Trust did not hold funds as custodian Trustee on behalf of others.

CHESHIRE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the Trustees are aware:

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

In April 2020, following a tendering process, the Board appointed WR Partners as its auditors for the period 2019-2022. The Board will consider whether or not it wishes to offer a two-year extension to its current auditor's appointment or go out to tender for its audit services for the period 2022-2025 in Spring 2022.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07 December 2021 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board has formally met seven times during the year with an additional five resource committee meetings and three standards committee meetings. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Brennan	6	7
M Huber	4	7
R Hughes	6	7
J Myers (Chair)	7	7
J Sandford	7	7
P Woodhouse	6	7
W M Griffin (Appointed 6 October 2020)	7	7
S Price (Appointed 6 October 2020 and resigned 5 October 2021)	0	7
E Wright (Appointed 6 October 2020)	7	7
G Mason (Appointed 8 December 2020)	4	4

Trustees (Resources Committee Attendance)	Meetings attended	Out of possible
M Huber	2	5
R Hughes	5	5
J Sandford (Chair)	4	5
P Woodhouse	3	5
W M Griffin (appointed 6 October 2020)	3	5

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees (Standards Committee Attendance)	Meetings attended	Out of possible
A Brennan (Chair)	3	3
J Myers	3	3
E Wright	3	3
S Price	0	3
G Mason	1	1

During the year the Board completed its engagement with the National Governance Association (NGA) Boards' Programme. This included an online Board appraisal and a survey of LGB chairs. As a result of engagement with the programme an action plan was drafted for the Board with the following goals:

1. Facilitate open communication between the Trust Board and local governing bodies.
2. Build capacity and experience on the Trust Board.
3. Encourage ownership and buy-in to the Trust's vision and strategy

The NGA offered two online training sessions to all Trustees and governors covering Roles and Responsibilities, and Effective Communication and Challenge. In the year, considerable progress was made against the goals in the action plan, The Board completed a second online Board appraisal, which provided a comparison with the first appraisal and will be used to inform the 2021-2022 action plan for the Board.

Link Trustees are in place for all academies. As part of their role they liaise with LGB chairs, read minutes and attend occasional LGB meetings. During the year LGBs complete a quality assurance document, providing assurance to themselves and the Board that they have discharged their delegated responsibilities.

Throughout the year the Board reviews a wide range of internal documentation setting out standards in academies, reviewing safeguarding practices and confirming the Trust's financial position amongst other things. The Board is able to triangulate this information because it is tested and validated by external partners such as the Safeguarding Children in Education (SCiE) team, external audit firms or it is able to be assessed by national comparative data. During the year specific training was provided to governors and Trustees on how to triangulate data.

The Trust considers that Covid-19 had no negative impact on governance at any level during the year. All governance meetings and training opportunities were held online and attendance remained strong throughout the year. Moving forward, the Board is considering options to facilitate hybrid in person/online meetings, in order to ensure ongoing attendance opportunities for all.

The Clerk to the Board coordinated Governance Hubs in the year, to allow collaboration across LGBs and the Trust Board on topics such as safeguarding and special educational needs. Trustees and governors continue to have access to NGA's Learning Link, and the Trust is well represented at Cheshire West Governance Association networking events. A programme of face to face and virtual face to face training for governors and Trustees was delivered internally in the year.

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As a result of the Development for Boards programme, the Trust Board has developed its membership and relationship with the local governing bodies. It has also resulted in a strengthened Trust Board that is more able to provide support and challenge to the executive, a strengthened group of Members to be the guardians of the governance and charitable objects of the Trust, and better relationships with local governing bodies providing them with opportunities to gain support for their schools, escalate issues, and collaborate with each other.

The Trust Board has identified the following next steps to be undertaken in 2021-2022

1. Review of the Trust's vision and strategic plan
2. Trust-wide training on the Articles of Association and Scheme of Delegation

Trustees, Alison Brennan and Emlyn Wright, are now undertaking the NGA Development for Chairs programme. Their programme project involves auditing the Trust's current communication with stakeholders to inform the future work of the Trust Board and an external review of governance will take place in Spring 2022.

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data and key performance indicators, where appropriate.

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

The purpose of the system of internal control

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

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

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

The risk and control framework

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

- Monthly management accounts and cash flow statements provided to all Trustees
- Integrated curriculum financial planning which provides curriculum led financial forecasts over a three-year period to support planning and decision making
- Monthly financial management cycle implemented in each academy to ensure the provision of accurate and timely data and reviewed by the Trusts' Finance Manager
- Termly financial reports to governing Boards to support academy level financial challenge and scrutiny
- Resources Committee with oversight and challenge of financial decisions taken at executive level
- The implementation of an internal scrutiny programme implemented by an external audit firm, different to the one that fulfils the annual external audit programme
- Setting of key performance targets to measure financial and other performance
- Clearly defined policies and procedures for all personnel with financial responsibilities to work within. Most notably the Trusts Scheme of Delegation, Financial Handbook and suite of financial and accounting policies
- Annual programme of risk identification as set out in the risk management policy

In 2020-2021 Mitchell Charlesworth fulfilled the internal scrutiny programme for the Trust, following an agenda set by the Resources Committee. The agenda was agreed after consideration of the points outlined in the management letter for 2019-2020 and consideration of internal data. Testing on payroll, and credit card usage were carried out. No material issues were identified and findings in all areas were deemed to be 'sufficient'.

Review of effectiveness

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

- the work of the internal scrutiny programme;
- the work of the external auditor; and
- the work of the executive leaders within the Trust who have responsibility for the development; and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

CHESHIRE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Approved by order of the Board of Trustees on 07 December 2021 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

CHESHIRE ACADEMIES TRUST


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As Accounting Officer of Cheshire Academies Trust I have considered my responsibility to notify the academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy Trust, under the funding agreement in place between the academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

DocuSigned by:

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S Ellis
Accounting Officer

07 December 2021

CHESHIRE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 07 December 2021 and signed on its behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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

Use of our report

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



Fran Johnson BSc BFP FCA (Senior Statutory Auditor)

for and on behalf of WR Partners

Chartered Accountants

Drake House

Gadbrook Park

Northwich

Cheshire

CW9 7RA

.....16.12.21

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cheshire Academies Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Cheshire Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Dated: 16.12.21

CHESHIRE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £	£	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	60,355	-	238,068	298,423	55,157
Donations - transfer from local authority on conversion		-	178,157	5,717,113	5,895,270	(60,837)
Charitable activities:						
- Funding for educational operations	4	-	6,685,171	-	6,685,171	5,567,537
- Funding for teaching school	25	-	172,618	-	172,618	146,359
Other trading activities	5	50,043	-	-	50,043	10,550
Investments	6	68	-	-	68	270
Total		110,466	7,035,946	5,955,181	13,101,593	5,719,036
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	6,813,383	428,915	7,242,298	5,833,737
- Teaching school		-	121,768	-	121,768	125,596
Pension deficit - transfer from local authority on conversion		-	530,000	-	530,000	-
Total	7	-	7,465,151	428,915	7,894,066	5,959,333
Net income/(expenditure)		110,466	(429,205)	5,526,266	5,207,527	(240,297)
Transfers between funds	17	(68,241)	(139,985)	208,226	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(950,000)	-	(950,000)	(43,000)
Net movement in funds		42,225	(1,519,190)	5,734,492	4,257,527	(283,297)
Reconciliation of funds						
Total funds brought forward		388,698	(1,533,502)	12,239,235	11,094,431	11,377,728
Total funds carried forward		430,923	(3,052,692)	17,973,727	15,351,958	11,094,431

CHESHIRE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020		funds	General	Fixed asset	2020
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	20,666	-	34,491	55,157
Donations - transfer from local authority on conversion		-	(60,837)	-	(60,837)
Charitable activities:					
- Funding for educational operations	4	-	5,567,537	-	5,567,537
- Funding for teaching school	25	-	146,359	-	146,359
Other trading activities	5	10,550	-	-	10,550
Investments	6	270	-	-	270
Total		31,486	5,653,059	34,491	5,719,036
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	5,648,502	185,235	5,833,737
- Teaching school		-	125,596	-	125,596
Total	7	-	5,774,098	185,235	5,959,333
Net income/(expenditure)		31,486	(121,039)	(150,744)	(240,297)
Transfers between funds	17	(27,113)	-	27,113	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(43,000)	-	(43,000)
Net movement in funds		4,373	(164,039)	(123,631)	(283,297)
Reconciliation of funds					
Total funds brought forward		384,325	(1,369,463)	12,362,866	11,377,728
Total funds carried forward		388,698	(1,533,502)	12,239,235	11,094,431

CHESHIRE ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		17,966,936		12,227,673
Current assets					
Debtors	14	153,524		130,959	
Cash at bank and in hand		2,069,594		1,473,560	
			2,223,118		1,604,519
Current liabilities					
Creditors: amounts falling due within one year	15	(648,096)		(413,761)	
Net current assets			1,575,022		1,190,758
Net assets excluding pension liability			19,541,958		13,418,431
Defined benefit pension scheme liability	19		(4,190,000)		(2,324,000)
Total net assets			15,351,958		11,094,431
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			17,973,727		12,239,235
- Restricted income funds			1,137,308		790,498
- Pension reserve			(4,190,000)		(2,324,000)
Total restricted funds			14,921,035		10,705,733
Unrestricted income funds	17		430,923		388,698
Total funds			15,351,958		11,094,431

The accounts on pages 33 to 63 were approved by the trustees and authorised for issue on 07 December 2021 and are signed on their behalf by:

DocuSigned by:

Janet Myers

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J Myers

Chair

Company Number 08108086

CHESHIRE ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	20		630,806		514,332
Cash funds transferred on conversion			178,157		-
			<u>808,963</u>		<u>514,332</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		68		270	
Capital grants from DfE Group		35,297		34,491	
Capital funding received from sponsors and others		202,771		-	
Purchase of tangible fixed assets		(451,065)		(51,738)	
			<u>(212,929)</u>		<u>(16,977)</u>
Net cash used in investing activities					
Net increase in cash and cash equivalents in the reporting period			596,034		497,355
Cash and cash equivalents at beginning of the year			1,473,560		976,205
Cash and cash equivalents at end of the year			<u>2,069,594</u>		<u>1,473,560</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donations

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

Other income

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more (or £250 if IT equipment) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

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

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

1.6 Liabilities

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies **(Continued)**

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement (Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	168,068	168,068	34,491
Other donations	60,355	70,000	130,355	20,666
	<u>60,355</u>	<u>238,068</u>	<u>298,423</u>	<u>55,157</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,733,877	4,733,877	3,833,072
Other DfE / ESFA grants:				
UIFSM	-	201,545	201,545	173,735
Pupil premium	-	212,117	212,117	137,133
Others	-	330,261	330,261	296,060
	-	5,477,800	5,477,800	4,440,000
Other government grants				
Local authority grants	-	554,015	554,015	501,901
Other government grants	-	7,504	7,504	2,896
	-	561,519	561,519	504,797
COVID-19 additional funding (DfE / ESFA)				
Coronavirus job retention scheme grant	-	21,993	21,993	55,834
ESFA Covid-19 catch-up funding	-	99,980	99,980	-
	-	121,973	121,973	55,834
Other funding				
Teaching school income	-	172,618	172,618	146,359
Other incoming resources	-	523,879	523,879	566,906
	-	696,497	696,497	713,265
Total funding	-	6,857,789	6,857,789	5,713,896

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

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	50,043	-	50,043	1,780
Miscellaneous income	-	-	-	8,770
	<u>50,043</u>	<u>-</u>	<u>50,043</u>	<u>10,550</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	68	-	68	270
	<u>68</u>	<u>-</u>	<u>68</u>	<u>270</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	4,311,145	342,723	265,150	4,919,018	3,907,004
- Allocated support costs	1,300,444	435,893	586,943	2,323,280	1,926,733
Teaching school					
- Direct costs	31,070	-	37,784	68,854	53,925
- Allocated support costs	33,946	518	18,450	52,914	71,671
	<u>5,676,605</u>	<u>779,134</u>	<u>908,327</u>	<u>7,364,066</u>	<u>5,959,333</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure	(Continued)	
Net income/(expenditure) for the year includes:	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	10,175	8,560
- Other services	12,772	10,175
Operating lease rentals	4,904	4,903
Depreciation of tangible fixed assets	428,915	185,235
Net interest on defined benefit pension liability	47,000	40,000
	<u> </u>	<u> </u>

8 Central services

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

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

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

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

In addition, CLTA occupies part of the Kelsall Primary School site and directly compensates the school via an annual rent charge of £10,000 (2020: £10,000).

The amounts charged during the year were as follows:	2021	2020
	£	£
Bexton Primary School	117,739	88,084
Kelsall Primary School	43,662	41,142
Boughton Heath Primary School	49,258	38,790
Mill View Primary School	54,896	40,719
Cheshire Leadership & Teaching Alliance	15,000	15,000
Manor Park School & Nursery	36,259	-
	<u> </u>	<u> </u>
	<u>316,814</u>	<u>223,735</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	2021	2020
	£	£
All from restricted funds:		
Direct costs		
Educational operations	4,919,018	3,907,004
Teaching school	68,854	53,925
Support costs		
Educational operations	2,323,280	1,926,733
Teaching school	52,914	71,671
	<u>7,364,066</u>	<u>5,959,333</u>

	Teaching school	Educational operations	Total 2021	Total 2020
	£	£	£	£
Analysis of support costs				
Support staff costs	33,946	1,321,044	1,354,990	1,151,940
Depreciation	-	86,192	86,192	37,047
Technology costs	499	132,466	132,965	163,073
Premises costs	518	349,701	350,219	286,507
Legal costs - conversion	-	1,540	1,540	-
Legal costs - other	9,368	15,867	25,235	27,408
Other support costs	8,583	393,493	402,076	315,654
Governance costs	-	22,977	22,977	16,775
	<u>52,914</u>	<u>2,323,280</u>	<u>2,376,194</u>	<u>1,998,404</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	4,012,205	3,344,283
Social security costs	305,947	211,955
Pension costs	1,283,545	1,041,071
	<hr/>	<hr/>
Staff costs - employees	5,601,697	4,597,309
Agency staff costs	74,017	58,554
Staff restructuring costs	891	-
	<hr/>	<hr/>
Staff development and other staff costs	5,676,605	4,655,863
	47,993	44,435
	<hr/>	<hr/>
Total staff expenditure	5,724,598	4,700,298
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Redundancy payments	891	-
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2021	2020
	Number	Number
Teachers	68	59
Administration and support	144	143
Management	12	8
	<hr/>	<hr/>
	224	210
	<hr/> <hr/>	<hr/> <hr/>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	3	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £539,000 (2020: £352,000).

11 Trustees' remuneration and expenses

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

During the year ended 31 August 2021, there were no travel and subsistence expenses reimbursed to trustees (2020: £Nil).

12 Trustees' and officers' insurance

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Leasehold land & buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	12,659,318	132,216	210,281	500	13,002,315
Additions	5,898,063	156,775	113,340	-	6,168,178
At 31 August 2021	18,557,381	288,991	323,621	500	19,170,493
Depreciation					
At 1 September 2020	589,092	74,201	110,849	500	774,642
Charge for the year	328,030	56,584	44,301	-	428,915
At 31 August 2021	917,122	130,785	155,150	500	1,203,557
Net book value					
At 31 August 2021	17,640,259	158,206	168,471	-	17,966,936
At 31 August 2020	12,070,226	58,015	99,432	-	12,227,673

14 Debtors

	2021 £	2020 £
Trade debtors	11,719	23,259
Other debtors	70,249	37,477
Prepayments and accrued income	71,556	70,223
	153,524	130,959

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	221,547	83,877
Other taxation and social security	84,688	59,015
Other creditors	112,637	80,137
Accruals and deferred income	229,224	190,732
	<u>648,096</u>	<u>413,761</u>

16 Deferred income

	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	165,899	126,279
	<u>165,899</u>	<u>126,279</u>
Deferred income at 1 September 2020	126,279	66,633
Released from previous years	(126,279)	(66,633)
Resources deferred in the year	165,899	126,279
	<u>165,899</u>	<u>126,279</u>
Deferred income at 31 August 2021	<u>165,899</u>	<u>126,279</u>

The main elements of deferred income are UIFSM £113,859 (2020: £100,760) and early years funding £43,708 (2020: £25,519) received in advance.

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	51,878	4,733,877	(4,781,378)	-	4,377
UIFSM	-	201,545	(201,545)	-	-
Pupil premium	-	212,117	(212,117)	-	-
Other DfE / ESFA grants	-	330,261	(330,261)	-	-
Other government grants	55,834	683,492	(739,326)	-	-
Teaching school	169,016	172,618	(121,768)	-	219,866
Other restricted funds	513,770	1,232,036	(692,756)	(139,985)	913,065
Pension reserve	(2,324,000)	-	(916,000)	(950,000)	(4,190,000)
	(1,533,502)	7,565,946	(7,995,151)	(1,089,985)	(3,052,692)
Restricted fixed asset funds					
Inherited on conversion	-	5,717,113	(69,325)	-	5,647,788
DfE group capital grants	12,239,235	168,068	(359,590)	208,226	12,255,939
Private sector capital sponsorship	-	70,000	-	-	70,000
	12,239,235	5,955,181	(428,915)	208,226	17,973,727
Total restricted funds	10,705,733	13,521,127	(8,424,066)	(881,759)	14,921,035
Unrestricted funds					
General funds	388,698	110,466	-	(68,241)	430,923
Total funds	11,094,431	13,631,593	(8,424,066)	(950,000)	15,351,958

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

Included in Other DfE/ESFA grants fund is £99,980 in respect of Covid-19 catch-up funding.

Included in other restricted funds is £21,993 in respect of Coronavirus JRS funding.

Both of these funds were fully utilised during the year.

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

General fund

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

General Annual Grant

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other Restricted General Funds

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

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31 August 2021.

Fixed Asset Restricted Funds

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

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****17 Funds****(Continued)**

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	26,904	3,833,072	(3,808,098)	-	51,878
UIFSM	-	173,735	(173,735)	-	-
Pupil premium	-	137,133	(137,133)	-	-
Other DfE / ESFA grants	-	296,060	(296,060)	-	-
Other government grants	-	560,631	(504,797)	-	55,834
Teaching school	148,253	146,359	(125,596)	-	169,016
Other restricted funds	431,380	506,069	(423,679)	-	513,770
Pension reserve	(1,976,000)	-	(305,000)	(43,000)	(2,324,000)
	(1,369,463)	5,653,059	(5,774,098)	(43,000)	(1,533,502)
Restricted fixed asset funds					
DfE group capital grants	12,362,866	34,491	(185,235)	27,113	12,239,235
Total restricted funds	10,993,403	5,687,550	(5,959,333)	(15,887)	10,705,733
Unrestricted funds					
General funds	384,325	31,486	-	(27,113)	388,698
Total funds	11,377,728	5,719,036	(5,959,333)	(43,000)	11,094,431

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds (Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Bexton Primary School	394,874	275,117
Kelsall Primary School	378,459	360,763
Boughton Heath Primary School	81,612	129,262
Mill View Primary School	239,404	179,318
Cheshire Leadership & Teaching Alliance	205,012	170,333
Manor Park School & Nursery	222,514	-
Central services	46,356	64,403
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,568,231	1,179,196
Restricted fixed asset fund	17,973,727	12,239,235
Pension reserve	(4,190,000)	(2,324,000)
	<hr/>	<hr/>
Total funds	<u>15,351,958</u>	<u>11,094,431</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Bexton Primary School	1,409,687	663,181	89,107	305,198	2,467,173	2,328,000
Kelsall Primary School	642,986	277,429	58,522	119,791	1,098,728	1,089,423
Boughton Heath Primary School	574,150	203,873	64,526	120,118	962,667	971,906
Mill View Primary School	657,967	272,860	53,067	93,233	1,077,127	1,008,414
Cheshire Leadership & Teaching Alliance	45,990	28,162	39,651	9,101	122,904	100,376
Manor Park School & Nursery	542,210	212,679	29,182	104,930	889,001	-
Central services	34,522	159,854	19,033	46,155	213,409	235,978
	<u>3,907,512</u>	<u>1,818,038</u>	<u>353,088</u>	<u>798,526</u>	<u>6,831,009</u>	<u>5,734,097</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	17,966,936	17,966,936
Current assets	430,923	1,785,404	6,791	2,223,118
Creditors falling due within one year	-	(648,096)	-	(648,096)
Defined benefit pension liability	-	(4,190,000)	-	(4,190,000)
Total net assets	<u>430,923</u>	<u>(3,052,692)</u>	<u>17,973,727</u>	<u>15,881,958</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds (Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	12,227,673	12,227,673
Current assets	388,698	1,204,259	11,562	1,604,519
Creditors falling due within one year	-	(413,761)	-	(413,761)
Defined benefit pension liability	-	(2,324,000)	-	(2,324,000)
Total net assets	388,698	(1,533,502)	12,239,235	11,094,431

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £110,000 were payable to the schemes at 31 August 2021 (2020: £80,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £796,636 (2020: £647,918).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

Total contributions made	2021	2020
	£	£
Employer's contributions	341,000	300,000
Employees' contributions	88,000	69,000
	<u> </u>	<u> </u>
Total contributions	429,000	369,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.9	2.2
	<u> </u>	<u> </u>

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.4	21.9
- Females	25.7	25.0
	<u> </u>	<u> </u>

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	2,244,800	1,428,000
Bonds	2,049,600	1,301,000
Property	488,000	317,000
Other assets	97,600	127,000
	<u>4,880,000</u>	<u>3,173,000</u>
Total market value of assets	<u>4,880,000</u>	<u>3,173,000</u>

The actual return on scheme assets was £500,000 (2020: £103,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	680,000	565,000
Interest income	(65,000)	(54,000)
Interest cost	112,000	94,000
	<u>727,000</u>	<u>605,000</u>
Total operating charge	<u>727,000</u>	<u>605,000</u>

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	5,497,000	4,702,000
Transferred in on existing academies joining the academy trust	1,340,000	-
Current service cost	680,000	565,000
Interest cost	112,000	94,000
Employee contributions	88,000	69,000
Actuarial loss	1,385,000	92,000
Benefits paid	(32,000)	(25,000)
	<u>9,070,000</u>	<u>5,497,000</u>
At 31 August 2021	<u>9,070,000</u>	<u>5,497,000</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2021	2020
	£	£
At 1 September 2020	3,173,000	2,726,000
Transferred in on existing academies joining the academy trust	810,000	-
Interest income	65,000	54,000
Actuarial gain	435,000	49,000
Employer contributions	341,000	300,000
Employee contributions	88,000	69,000
Benefits paid	(32,000)	(25,000)
	<u>4,880,000</u>	<u>3,173,000</u>

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,207,527	(240,297)
Adjusted for:		
Net (surplus)/deficit on conversion to academy	(5,895,270)	60,837
Net deficit on transfer of academy in the trust	530,000	-
Capital grants from DfE and other capital income	(238,068)	(34,491)
Investment income receivable	(68)	(270)
Defined benefit pension costs less contributions payable	339,000	265,000
Defined benefit pension scheme finance cost	47,000	40,000
Depreciation of tangible fixed assets	428,915	185,235
(Increase)/decrease in debtors	(22,565)	306,370
Increase/(decrease) in creditors	234,335	(7,215)
Stocks, debtors and creditors transferred on conversion	-	(60,837)
	<u>630,806</u>	<u>514,332</u>

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash	1,473,560	596,034	2,069,594

22 Long-term commitments, including operating leases

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

	2021	2020
	£	£
Amounts due within one year	3,227	2,121
Amounts due in two and five years	3,402	3,055
	<u>6,629</u>	<u>5,176</u>

23 Related party transactions

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

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

24 Members' liability

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

CHESHIRE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Teaching school trading account

	2021		2020	
	£	£	£	£
Direct income				
Other direct income		172,618		146,359
Direct costs				
Direct staff costs	31,205		20,314	
Educational supplies and services	-		1,864	
Educational consultancy	37,649		31,747	
	<u>68,854</u>		<u>53,925</u>	
Other costs				
Support staff costs	33,946		32,234	
Technology costs	499		1,561	
Maintenance of premises and equipment	-		6,878	
Cleaning	44		32	
Energy costs	474		1,017	
Catering	7		355	
Other support costs	8,576		29,594	
Share of governance costs	9,368		-	
	<u>52,914</u>		<u>71,671</u>	
Total expenditure		(121,768)		(125,596)
Surplus from all sources		50,850		20,763
Teaching school balances at 1 September 2020		169,016		148,253
Teaching school balances at 31 August 2021		<u>219,866</u>		<u>169,016</u>

26 Transfer of existing academies into the academy trust

Manor Park School and Nursery

On 1 January 2021 the assets and liabilities of Manor Park School and Nursery were transferred into the trust as set out below:-

CHESHIRE ACADEMIES TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021**

26	Transfer of existing academies into the academy trust	(Continued)
		Transfer in recognised
	Net assets acquired	£
	Leasehold land and buildings	5,677,000
	Other tangible fixed assets	40,113
	Cash and cash equivalents	178,157
	Pension scheme	(530,000)
	Total net assets	<u>5,365,270</u>

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