Registered number: 08526973

St Chad's Academies Trust

Trustees' report and financial statements

for the year ended 31 August 2020

DAINS
ACCOUNTANTS

St Chad's Academies Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditor's report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 63

Reference and administrative details

Members	S Hannam The Venerable M Parker Dr A Primrose M Revel C Shaw
Trustees	H Azima (appointed 24 July 2020) Prof R J Anderson (resigned 31 March 2020) Rev R Heath J Jackson Canon J M Jones G Leverton (appointed 11 August 2020) P Marris (appointed 24 July 2020) Rev A Morris Dr A Primrose, Chair of Trustees M Painter (appointed 26 January 2020) C Randles Prof M Shaw S Wedgwood, Chief Executive and Accounting Officer
Company registered number	08526973
Company name	St Chad's Academies Trust
Principal and registered office	St. Marys House The Close Lichfield Staffordshire WS13 7LD
Company secretary	H Steel
Chief executive and Accounting Officer	S Wedgwood
Senior management team	S Wedgwood, Chief Executive Officer J Austin, Director of Learning Z Heath, Director of Operations H Steel, Director of Finance
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 22 Conduit Street Lichfield Staffordshire WS13 6JS

Reference and administrative details (continued)
for the year ended 31 August 2020

Solicitors	Knights Plc Two Chamberlain Square Birmingham B3 3HQ

Trustees' report
for the year ended 31 August 2020

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

St Chad's Academies Trust is a Multi Academy Trust serving the Diocese of Lichfield. Geographically, the Diocese covers the 7 local authorities of Walsall, Wolverhampton, Sandwell, Shropshire, Stoke, Staffordshire and Telford and Wrekin. The Trust comprised of 19 academies to 31 August 2020 made up of 17 Primary, 1 First and 1 Middle.

Structure, governance and management

a. Constitution

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

The trustees of St Chad's Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Chad's Academies Trust.

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

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees, directors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The limit of this indemnity is £5m for trustees' liabilities and £2m for libel and slander.

d. Method of recruitment and appointment or election of Trustees

The Articles of Association requires that the Trustees of the Company shall comprise of;

a. Not less than three but not subject to a maximum;
b. Shall comprise of no fewer than five appointed under article 50 (i.e. appointed by the Members)
c. May have Co-opted Directors (Trustees) appointed under article 58 (i.e. Trustees may appoint up to 2 for a term not exceeding four years with the consent of the Diocesan Board of Education.

The term of office for all Trustees is four years; any Trustee may be re-appointed/re-elected.

The Trust has increased the number of Trustee Board members in the 2019/20 year to 12 from 9 in the previous year, having made 4 Trustee appointments and received 1 Trustee resignation.

Trustees have assessed the Board's areas of expertise and utilized the Academy Ambassador programme to secure 3 of the new Trustees with experience in areas such as business, industry and strategic growth.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All new Trustees are elected by the Trustees and appointed by Members in line with the requirements of the Articles of Association. Trustees are provided with an Induction Pack which includes information surrounding the roles of the Exec, the Chair and the role of a Trustee including the Code of Practice. It also includes following;

a) The Trusts Articles of Association,
b) the MFA,
c) the Terms of Reference for all Trust Committees,
d) the Trust's Scheme of Delegation, Financial Regulations and the Governance Handbook
e) the Trusts Governance and Accountability Structure,
f) KICSIE,
g) the ESFA AFH,
h) The Essential Trustee (CC3).

New Trustees receive bespoke induction sessions with the CEO.

f. Organisational structure

The Trust is a multi-academy trust and at 31st August 2020 ran 19 academies as follows;

- Birchills Church of England Community Academy, Walsall (sponsored)
- Havergal Church of England Primary Academy Shareshill, Staffordshire (sponsored)
- St Matthew's Church of England Primary Academy, Stoke (converter)
- St John's Church of England Primary Academy, Wednesbury (sponsored)
- All Saints National Academy, Walsall (sponsored)
- St Peter's Church of England Primary Academy, Staffordshire (converter)
- St John's Church of England Primary Academy, Stafford (converter)
- St James Church of England Primary Academy, Longdon, Staffordshire (converter)
- Bishop Lonsdale Church of England Primary Academy, Eccleshall, Staffordshire (converter)
- Churchfield Church of England Primary Academy, Rugeley, Staffordshire (converter)
- Holy Trinity Church of England Primary Academy, Oswestry (converter)
- St Jude's Church of England Primary Academy, Wolverhampton (sponsored)
- Dawley Church of England Primary Academy, Telford (sponsored)
- Stoke Minster Church of England Primary Academy, Stoke (converter)
- Christ Church Church of England Primary Academy, Stoke (converter)
- Trinity Church of England Primary Academy, Wolverhampton (converter)
- St Mary's Church of England Primary Academy, Wheaton Aston (converter)
- Brewood Church of England Middle Academy, Brewood, Staffordshire (converter)
- Mereside Church of England Primary Academy, Shrewsbury (converter)

The aim is to expand the number of academies in the Trust and to fully utilise the now established infrastructure of the Communities of Practice (CoPs - 4 geographical hubs) to allow the academies to work collaboratively, sharing resources to improve efficiencies and pool expertise such as phase and subject specialists, as well as enable peer to peer support and challenge, to establish and develop system leadership and further explore local economy of scale procurement opportunities.

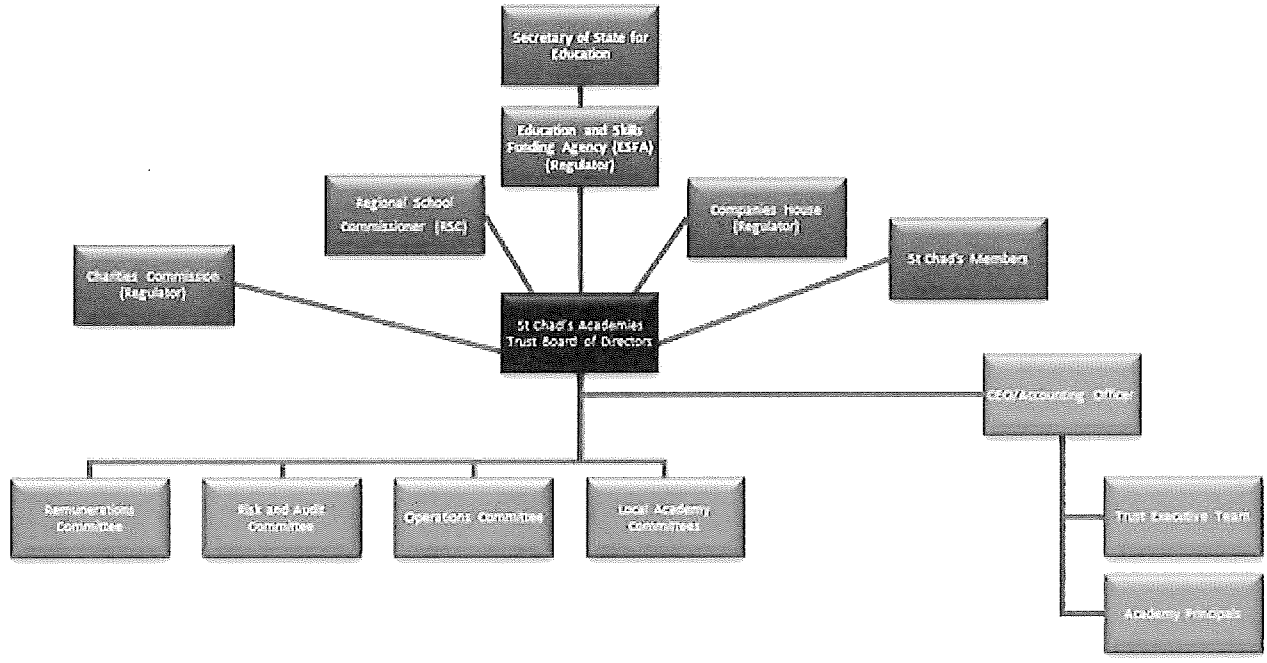
At year end the Trust had one school in the project management phase. During the conversion phase, the Trust introduces schools to its academies so that converting schools are included within one of the four CoPs, working in collaboration with its local Trust academies.

St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meets regularly and provides strategic leadership and vision to the academies. The Trust provides support and challenge to the academies via committees which monitors all aspects of school management and school

Structure, governance and management (continued)

improvement; the Finance, Risk and Audit Committee, a sub-committee which provides robust risk management and financial oversight and strengthens the independence of the audit function; the Operations Committee, a sub-committee which reviews and develops strategies, management processes and procedures; and a Local Academy Committee per academy to be a local advisory body. The members of the Local Academy Committee are referred to as Committee Members to distinguish them from the Directors of the Trust. The Board operates a Remunerations Committee, made up of three Board members, to accept and review recommendations on leadership pay for ratification by the Board of Directors. The Trust also utilises the Raising Achievement Board to hold academy leaders to account and to provide effective support and challenge; the Raising Achievement Board is made up of the Trusts Executive Team and meets termly.

The Trust's Accountability and Governance Structure is as follows;



g. Arrangements for setting pay and remuneration of key management personnel

Performance Management of Principals is managed by the Raising Achievement Board on behalf of the Trust Board and subsequent pay awards which are considered are in line with School Teachers Pay and Conditions and the scope of individual leadership bands upon successful achievement of performance targets. The Raising Achievement Board make evidence based recommendations to the Remunerations Committee (made up of 3 Trustees) for robust review and challenge where appropriate.

Performance Management of executive leaders and central staff is undertaken by line managers via a robust target based process which is evidenced by a Professional Development Portfolio. Decisions on executive and central staff pay are made upon receipt of evidence based recommendations by the Remunerations Committee.

Remuneration for staff employed at academies within St Chad's Academies Trust follows the national terms and conditions of service for teachers or the terms and conditions of service for support staff.
Targets and pay are approved by the Board of Trustees.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
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	22,084,946	
Percentage of 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	-	%

i. Related parties and other connected charities and organisations

The Trustees of St Chad's Academies Trust receive no remuneration for their activities as Trustees other than the CEO who is employed by the Academy Trust

St Chad's Academies Trust is connected to the Church of England Central Education Trust (CECET) and to the Lichfield Diocesan Board of Education (LDBE), which has strategic responsibility for Church of England schools within the Diocese of Lichfield. The LDBE is the majority member of CECET, and together with the Chair of CECET hold majority Membership of the Trust. The Trust declares all related party transactions to ESFA via the appropriate reporting/approval methods.

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Multi Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Multi Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Multi Academy Trust's equal opportunities policy, the Multi Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Multi Academy Trust's offices.

Objectives and activities

a. Objects and aims

The principal activities of St Chad's Academies Trust are to provide an inclusive, balanced and broadly based curriculum and education in line with the principles of the Church of England for children and young people of all abilities. The Trust provides free education for young people (currently 4-13) who live mainly within the Diocese of Lichfield.

The Company's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

(i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and

(ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

b. Objectives, strategies and activities

The Trust's educational vision is founded upon its commitment to promoting a 'Children First' approach, where all decision making is based upon the furtherance of the provision for our children and young people.

The Trust has procured a bespoke Christian Distinctiveness Adviser, whose role is to support the continuance of the promotion and nurturing of the Christian distinctiveness of the academy and to provide a whole-school approach to monitoring progress.

The overarching principles of St Chad's Academies Trust are that-

- All academies can improve to become good and outstanding.
- All pupils have the right to the best education that can be provided so that standards continually rise

Objectives and activities (continued)

resulting in all children and young people achieving their best.
• All children and young people in our care have an entitlement to spiritual care and guidance. By continuing and developing the historical role of the church in education the Trust champions the ethos and values enabling children and young people clearly to identify themselves as children of God.
• All staff and academy committee members should have access to support for their spiritual welfare.
• All staff should have access to a well-planned and strong career progression route. This professional development will be tailored to meet the needs of the academy and the individual teacher, resulting in a professional body of the highest quality.
• Presence, partnership and participation of academies and their leaders will bring about significant improvement and help to develop system leaders of the future.

The Trust's strategy is to drive academy improvement through system leadership, encouraging academies to support other individual academies, or groups of academies, within the CoP and whole Trust family network. This strategy embraces senior leaders, academy committee members and teachers. The Trust is committed to high quality continuous professional development for staff, and to ensuring that leaders and staff can become key agents of change. The Trust's aim is to establish vibrant, successful learning communities, where all children and young people are able to achieve. 'Children First'.

The Raising Achievement Board provides challenge and support to academies on a termly basis. Each academy has an assigned Diocesan Improvement Adviser, whose role is to add capacity to the leadership team in an academy and also to provide on-going advice, support and challenge to Principals. Each academy is also assigned a Financial Accounting Officer to provide financial management challenge and support and a dedicated HR Officer assigned to support all staffing and employment related issues. Governance support is provided to all academy Local Academy Committees' via the Trust's Governance Officer. The infrastructure in place provides 'a team' around the academy.

c. Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St Chad's Academies Trust is the maintenance and development of a high quality education, which is free of charge. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the areas in which the Trust operates.

In doing this, St Chad's Academies Trust not only offers a broadly based academic education but aims to educate the whole individual and to encourage their spiritual development. A wide-range of extra-curricular activities and educational visits are offered to students.

Strategic report

Achievements and performance

Due to the unprecedented impact of the COVID-19 pandemic, all national and public assessments were cancelled in the 2019/20 academic year. We are unable to publish any performance data, although our academies have been monitoring predicted outcomes and have undertaken internal formative and summative assessments.

In terms of Ofsted, our gradings are as follows;

1) All Saints National – Special Measures (HMI has noted significant improvement; awaiting Section 8 in Spring 2021)
2) Birchills – Good
3) Bishop Lonsdale – Good

Strategic report (continued)

Achievements and performance (continued)

4) Brewood – Good (supported by St Chad's during inspection pre conversion)
5) Churchfield – Requires Improvement
6) Christ Church - (not yet inspected as an academy)
7) Dawley – Requires Improvement
8) Havergal -Good
9) Holy Trinity – RI (with Good Leadership)
10) Mereside - (not yet inspected as an academy)
11) St James – Good
12) St John's Stafford – Good
13) St John's Wednesbury – Good
14) St Jude's – Good
15) St Matthew's – Good
16) St Mary's - Good (supported by St Chad's during inspection pre conversion)
17) St Peter's – Good
18) Stoke Minster - (not yet inspected as an academy)
19) Trinity - (not yet inspected as an academy)

During the height of the pandemic all St Chad's Academies remained open for the children of vulnerable families and key workers. All academies provided remote learning, both ICT and paper based learning packs for those children not in school. All vulnerable families were supported in terms of either food parcels or food vouchers to ensure that those who were at risk did not go without during the crisis. Teachers across the Trust kept in regular contact with children and families to ensure effective home school links were retained and that any safeguarding concerns were monitored and acted upon in partnership with the relevant Local Authority. Our academies have received positive feedback from parents and stakeholders following the pandemic and in response to the provision supplied by the academies; although the pandemic has brough significant challenges, relationships between home and school have been enhanced significantly.

a. Key performance indicators

KPIs for all academies within the St Chad's Academies Trust:

1. Quality of Teaching to be consistently good or better
2. To be judged at least Good at the first Ofsted inspection following conversion
3. To be judged at least Good at the first SIAMS inspection following conversion
4. Outcomes for pupils at KS1 and KS2 to be in line or above national in reading, writing and mathematics
5. Progress for pupils at KS1 and KS2 to be in line or above national in reading, writing and mathematics
6. Governance to be judged as effective
7. Attendance to be in line with national
8. All academies are compliant with safeguarding legislation

KPI's are integrated into Principal's performance management targets determined by the Raising Achievement Board (Autumn Term).

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Strategic report (continued)

Financial review

a. Overview

The majority of the Trust's income is received from the Department for Education via the Education Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objects of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown in the restricted funds in the Statement of Financial Activity.
The Trustees agreed the following key financial performance indicators for 2019-20:-

- Robust financial monitoring; the Trustees monitor the financial position regularly by reviewing financial year-end projections which are supported by management accounts in line with ESFA AFH requirements.
- Achieving value for money through effective financial management procedures and procurement initiatives;
- Academies and the Trust comply with the Trust's Financial Regulations and the ESFA AFH.
- Monitor and maintain a positive cash flow with sufficient cash balances to cover monthly expenditure.
- Review of income and expenditure with particular emphasis on pay costs as a percentage of ESFA income.
- Production of annual 5 year forecasts for all academies.
- Local Academy Committee monitoring of Management Accounts

COVID-19 has negatively impacted the planned financial position and performance of many academies within the Trust; the main contributing factors were the reduction of budgeted income streams and the large additional staffing costs which academies incurred immediately prior to the lockdown and following the re-opening to Reception, Year 1 and Year 6. Neither of these substantial areas were claimable elements via the Governments COVID Additional Costs Fund so academy budgets had to meet these costs which has impacted upon planned investment to capital.

b. Reserves policy

The Trustees review the reserve levels annually. This review details the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held to provide sufficient working capital to cover delays between spending and the receipt of grants and to allow for unexpected situations such as urgent maintenance work or in extreme circumstances to bridge areas of lagged funding. Reserves are planned and built up in line with identified capital improvements/developments which are scheduled to occur within the 5 year financial plans, ensuring a strategic approach and a practical application of reserves in future years to maintain and improve the academy learning environments. Under normal situations the Trustees would aim to maintain reserves of between 5%-10% of GAG as an appropriate cushion. The Finance, Risk and Audit Committee support the process and ensure that plans are provided for any potential spend of reserves for approval.

c. Investment policy

St Chad's Academies Trust has no realisable investments; all cash is held for operational activities. With respect to cash holdings, the Board of Trustees has adopted a low risk strategy. The Academy Trust maintains a current account with its bankers. The Trustees will review the Trust's investments for forthcoming financial years to ensure maximum efficiency for cash balances and the application of School Condition Allocation.

d. Principal risks and uncertainties

The principle risks to the Trust are financial and result historically from a projected deficit on the Local Government Pension Scheme. In addition, the delay to the roll out of the NNF, the unknown future of school funding due to the impact upon the economy of COVID-19 and unknown factors such as the impact of Brexit which may have a negative effect on areas such as funding, staffing and number on roll. There are also the usual risks in respect of fraud, reputational damage and failure to deliver on school improvement targets, but

controls and systems are in place to mitigate all manageable risks.

Under Financial Reporting Standard 102 it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds. However this does not present any current liquidity problem.

Risk Management

The Trust has undertaken a comprehensive assessment of possible risks to the Trust. The potential risks that have been identified are recorded on the Trust's Risk Register. The areas covered will include Strategic, Compliance, Standards, Operational, Financial Management and Control, Safeguarding, Health and Safety, Governance, Reputation, Staffing and ICT. The Risk Register is a standing item on Risk and Audit Committee meeting agendas to ensure regular review. The Risk Register has been reviewed by the Internal Auditors over the course of the academic year for their comments on format and content. The Chair of the Finance, Risk and Audit Committee changed in year following the resignation of 1 Trustee; the subsequent Chair has served previously on the Committee for over 18 months and is experienced in assessing risk.

The principal risks currently identified are outlined below.

Potential Risk	Mitigating controls
COVID-19 – National Impact; school closures; public health and health and safety risk; negative recruitment and retention; negative impact on outcomes	Monitoring and sharing of all Government Advice; regular contact with DfE and LA colleagues. All academies have local risk assessments in place which have been assessed by legal professionals. Risk management and mitigation strategies in place.
Brexit; impact on staffing, number on roll and government funding.	Proactive approach to identification of affected staff; monitoring of Government advice, guidance and required changes in employment procedures. Monitoring possible impact on number on roll. Monitoring Government announcements on funding.
Standards – failure to ensure all Ofsted Inspections judge academies to be Good or better across the Trust.	Robust performance management targets are set to ensure leadership is focused on results. Monitoring and review processes maintain a clear understanding of performance and drive school improvement plans. Academies are supported by dedicated, appropriately experienced central staff. Monitoring of staff Health and Wellbeing. Key academies have been identified and effective action taken to assist academies in improving and moving forward.
Strategic; succession planning	Succession strategies are in place and will be developed further for key members of the Trust's senior leadership team and academy Principals. School to school support provides opportunities for staff development at all levels and a focus on growing leaders and system leadership are areas of key focus. Academies impacted by changes in leadership are supported via close school to school support models and close links with the Local Academy Committee, as well as CoP groups.
Compliance – buildings do not meet Health and Safety requirements or become unfit for purpose	Commissioned support of a single Trust appointed estates partner to provide regular audits of buildings. Establishment of Estates Group to monitor compliance. Use of School Condition Allocation to address priority areas and main areas of concern.
Financial – Pension Fund changes and deficits become a major drain on Trust resources. Unknown future of funding in the education sector.	The Trust carries out regular reviews, in line with regulatory requirements, and accesses regular advice from its consultants and auditors in order to proactively manage risks. Risk of the McCloud/Sargent case being monitored.
Financial – Budget constraints	Financial planning and monitoring systems are in place to provide robust financial testing and planning for the future. Updates are sought in relation to funding whenever possible.

e. Financial and risk management objectives and policies

The Finance, Risk and Audit Committee meet at the beginning of each year to agree the scope of the Internal Audit Review for the forthcoming year. The Internal Audit scope of work for the 2019/20 year surrounded financial practice and a review of Governance. All financial operating offices receive visits and review from the Trust's appointed Internal Auditors. Internal audit reports are analysed by the Finance, Risk and Audit Committee and findings are reported to Principals and Chairs of the Local Academy Committee to be shared at with full LAC. Progress is measured and recorded via the Trust's 'Financial Improvement Plan' which is an active document and highlights areas for action and development.

Financial operations are supported and monitored monthly by the Trust via monthly on site visits and management account production and review. During the 2019/20 year this model of face-to-face support had to change as on-site visits were not possible due to the constraints brought about by the pandemic, however the Trust put in place methods to enable academy colleagues to be regularly supported via virtual means. Individual academy management accounts are presented to Local Academy Committees regularly. Consolidated management accounts are presented to the Board and to the Chair in line with the requirements of the ESFA AFH.

All academies have received and work to the Trust's Governance Handbook, Financial Regulations and Scheme of Delegation, which are updated annually in line with the most recent regulatory documents; i.e. the ESFA AFH, DFE's Governance Handbook.

Half termly forums for Principals and termly forums for Academy Business Managers operate to reinforce effective financial control and risk management. The Raising Achievement Board quality assures these controls each term.

All financial systems are fully visible by the Trust which maintains effective oversight of academy transactions and commitments.

Fraud Awareness is an Annual agenda item for Principals, SLT, Academy Business Managers and any associated administrative support roles and central staff to ensure the risks of fraud are prevalent and are considered by all relevant staff members, and that mitigating action is taken to review systems and procedures within financial operations. The Trust has developed robust procedures to mitigate third party fraud and has tailored the Financial Management System and online banking system to ensure that appropriate segregation of duty in in place and validation is undertaken.

Fundraising

The Trust does not currently operate a high level of fundraising activities. Fundraising across the academies within the Trust is usually generated via non-uniform, costume or charity bake sale days where schools request a donation from parents or carers. Parents are made aware of the beneficiary of their donations in advance of any event which may be to support a local or national charity of the students' choice or to financially support a specified event being organised by the school or students. Contributions are not compulsory.

Some academies have made bids to local and/or national charitable trusts through specifically targeted bids. Those who have been successful have benefitted support a range of resource provision.

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by LAC members and the Trustees via the management accounts.

Plans for future periods

As a Multi Academy Trust, St Chad's Academies Trust continues to aim to increase the number of academies within the Trust through a managed growth plan.

At year end there was one school in the project management phase of academy conversion; a converter school in Stoke. Another school had applied to join the MAT as a converter academy to and was approved at the November 20 Head Teacher Board. Other conversations are ongoing with schools investigating academisation options in the Diocese.

Shortly following year end, the Trust made an application to bid for a Free School in Shropshire and was recently been invited to the interview stage of the process.

Further work is taking place to develop school improvement strategies, operational support and procedures and to enhance the corporate governance and strategic capacity of the Trust.

The Trust is supporting one school in Staffordshire and one school in Stoke to support the work of the Local Authority in school leadership and management.

MAT to MAT support models are being devised and it is hoped that the Trust will expand on the structures already established with the two LA support schools referenced above.

The Trust has applied for funding from the DfE's TCAF2 Grant, looking to review and develop current support structures in areas such as budgeting and HRMS.

Funds held as custodian on behalf of others

The Trust holds no funds on behalf of others as a custodian trustee.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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.

Auditor

The auditor, Dains LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16 December 2020 and signed on its behalf by:

Dr A Primrose
Chair of Trustees

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St Chad's 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.

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 5 times during the year including the AGM; during the height of the pandemic the Trustees were not able to formally meet due to lockdown and ICT capacity, however the Trust Board were kept up to date and well informed, receiving full reports from the CEO and all Directorates via email, with a clear communication strategy to enable Trustees to communicate with the Executive Team and to raise any queries and receive responses. Formal meetings this year have been undertaken in a variety of ways including face to face and virtually via conference /video call.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Azima (appointed 24 July 2020)	1	1
Prof R J Anderson (resigned 31 March 2020)	3	3
Rev R Heath	2	5
J Jackson	4	5
Canon J M Jones	2	5
G Leverton (appointed 11 August 2020)	0	0
P Marris (appointed 24 July 2020)	1	1
Rev A Morris	1	5
Dr A Primrose, Chair of Trustees	5	5
M Painter (appointed 26 January 2020)	2	2
C Randles	5	5
Prof M Shaw	3	5
S Wedgwood, Chief Executive and Accounting Officer	5	5

Finance, Risk and Audit Committee; remit for monitoring finance, risk and compliance and the remit for the application of SCA funding; met 3 times during the year;

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Prof R J Anderson (resigned 31 March 2020)	2	2
J Jackson	3	3
Dr A Primrose	1	1
S Wedgwood	3	3

Governance (continued)

Operations Committee; remit for monitoring operational elements of the Trust; i.e. HR, payroll, contracts, governance; met 3 times during the year;

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Canon J M Jones	2	3
Rev R Heath	3	3
S Wedgwood	3	3

Remunerations Committee; met once during the period.

Local Academy Committees (x 19); meet every half term during the year.

The Trust held a strategy day in December 2019 where it reviewed the Trust's Vision and Values, the Strategic Plan and structured growth model of the Trust and the associated operational considerations, and also reviewed and considered any risks to the afore mentioned growth.

The Internal Audit partner commenced a review of Governance in the 2019.20 year; this has been extended in to the 2020.21 year due to the impact on capacity following the COVID-19 outbreak.

It has been a challenging year for the Trust in managing the changing requirements brought about by the pandemic and associated actions which needed to be taken. The Trust central team needed to react swiftly and diligently to assist the Trust's academy leaders. Communications with the Board, though not conducted in the usual manner, were detailed and effective.

Review of value for money

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

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

- Executive Principal and SLT leadership models; system leadership and sharing of best practice across the Trust rather than buying in external experts.
- Joint procurement ventures. Procurement partners ESPO help review current procurement practices and establish joint procurement opportunities throughout the Trust. CoP joint working and buying power; localised procurement opportunities.
- Ongoing contract reviews for centrally managed services e.g re-evaluation of the HR/payroll/recruitment/advertising service; the Trust changed service provider for this service in year and made a significant saving.
- Establishing system leadership models utilising staff from within the Trust and utilising the expertise within the Trust to help academies in need of additional support and capacity.
- Utilising the support of Local Academy Chairs across the Trust to support with committees where impartiality was key.
- Seeking further opportunities to work in collaboration with Local Authority initiatives
- Planned developments to the established Trust wide FMS system to provide efficiencies in economies of scale in relation to system cost and service provision. System can be utilised to identify the largest areas of spend.
- Begun investigations into further developments for the HRMS systems with the view to establish wider scope of

Review of value for money (continued)

self-managed service provision.
• Begun investigations into re-tendering for the Trusts budgeting programme to establish best usability and best service provision for the cost.
• Establishment of Trust wide CPD portal for all staff members across the Trust via Optimus Education.
• Planned focus on catering contract review for the 2020/21 year and the establishment of a single Trust wide procurement partner (delayed in 2019/20 due to COVID-19 priorities)

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 Multi 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 St Chad's Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Multi 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 Multi Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The CEO has undertaken appropriate training specifically in relation to Risk Management and how to effectively control and monitor risk. All members of the Executive Team are 'Risk Owners' in line with risks relating to their areas of expertise; risks, actions and mitigating factors are all recorded on the Trust's Risk Register. The Trust is self-reflective of 'lessons learned' and also reflects upon issues highlighted in the sector as a whole, reviewing issues and establishing mitigations where appropriate.

The Raising Achievement Board, Remunerations Committee, Finance Risk and Audit Committee and Operations Committees provide additional layers of risk management and mitigation and provide appropriate challenge and support to the CEO in relation to elements of risk.

The risk and control framework

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

• comprehensive budgeting and monitoring systems with an annual budget which is agreed by the Board of Trustees and monthly financial reports which are reviewed by the Trustees six times a year and the Chair of the Board in line with the requirements of the ESFA AFH;
• regular reviews by the Local Academy Committee and the Trust's Financial Support team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
• setting targets to measure financial and other performance;
• clearly defined purchasing (asset purchase or capital investment) guidelines;
• delegation of authority and segregation of duties via the Trust's Financial Regulations and Scheme of Delegation;
• identification and management of risks.

The risk and control framework (continued)

The Risk Management Strategy is led by the Executive Team and monitored efficiently and effectively by the Finance, Risk and Audit Committee. The Executive team meet monthly to evaluate progress and mitigating factors, as well as to bring to the fore any new risks or concerns to the Trust's Vision and Values, strategic and operational plans and short and long term viability. All additions to and removals from the Risk Register are approved by the Finance, Risk and Audit Committee. Should there be a requirement for action outside of the scope of the timing of the Finance, Risk and Audit Committee meeting, the Chair of the Committee is approached for permission to act via Chair's Action.

The Board of Trustees has decided to employ Academy Advisory Limited as internal auditor.

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

- financial health and reporting
- purchasing and procurement
- testing of payroll and HR systems
- income and debtors
- card, cash and banking
- journals
- contract testing
- business interests

On a termly basis, the internal auditor reports to the board of Trustees through the Director of Finance on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditors have also begun a review of Governance and Governance Structures across the Trust. On a termly basis, the internal auditor reports to the Board of Trustees, through the Finance, Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and provided details of any issues as a result of the internal audit processes. No significant control issues were found during the course of the year; any issues highlighted were acted upon promptly.

The Trust operates an annual calendar which outlines all reporting requirements for the Trust to meet with statutory and regulatory reporting requirements.

To ensure compliance with Safeguarding Regulations, the Trust provides training and regular updates to trustees, all relevant staff, local academy committee members and children. Safeguarding checks are performed as part of our annual review processes.

Review of effectiveness

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

- the work of the internal auditor; review of financial management and control and Governance including Governance Structure and accountability/TORs etc
- the work of the external auditor; review of financial control measures and findings in line with the Management Letter
- review of Local Academy Committee minutes and Principal's Reports (pre lockdown)
- regular data tracking (pre lockdown)
- Raising Achievement Board (x3); it is noted that the regular schedule of the RAB was interrupted due to COVID-19, however all meetings took place and scrutiny was evident throughout the year.
- Review of the financial management accounts
- Review of the SRMA and areas highlighted for review
- the work of the Exec. Team and Local Academy Committee members within the academy trust who have responsibility for the development and maintenance of the internal control framework
- The challenge and support offered by the Trust Board and Committee framework.
- Reports to DfE and Ofsted conversations.
- The COVID-19 Risk Assessment processes and associated legal team review
- The work of the Trust's Estates Partner in relation to capital work priorities and health and safety considerations.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Risk and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf by:

Dr A F Primrose
Chair of Trustees

S Wedgwood
Chief Executive Officer and Accounting Officer

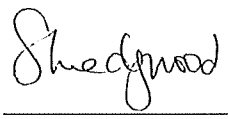
St Chad's Academies Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of St Chad's Academies Trust I have considered my responsibility to notify the Multi 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 Multi Academy Trust, under the funding agreement in place between the Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Multi Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



S Wedgwood
Chief Executive Officer and Accounting Officer
Date: 16 December 2020

Statement of Trustees' responsibilities for the year ended 31 August 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 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 financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on its behalf by:

Type text here

A Primrose

Dr A Primrose
Chair of Trustees

Independent auditor's Report on the financial statements to the Members of St Chad's Academies Trust

Opinion

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

In our opinion the financial statements:

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

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 financial statements section of our report. We are independent of the Multi Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, the Governance statement, the statement on regularity, propriety and compliance, and the statement of trustees' responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinion 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 Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's Report on the financial statements to the Members of St Chad's Academies Trust (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Multi 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 Multi Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

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

Use of our report

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

Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

16 December 2020

Independent Reporting Accountant's Assurance Report on Regularity to St Chad's Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Chad's Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Chad's Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Chad's 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 St Chad's Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Chad's Academies Trust's funding agreement with the Secretary of State for Education dated 28 June 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

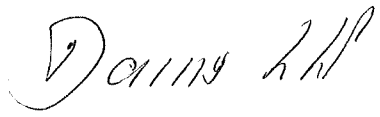
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Independent Reporting Accountant's Assurance Report on Regularity to St Chad's Academies Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 16 December 2020

St Chad's Academies Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		243,818	(806,000)	-	(562,182)	(1,619,314)
Other donations and capital grants		219,399	-	998,677	1,218,076	1,521,318
Charitable activities:						
Funding for academy trust's educational operations		-	27,519,177	-	27,519,177	20,513,359
Other trading activities		537,960	2,000	-	539,960	817,950
Investments	6	3,244	-	-	3,244	2,360
Total income		1,004,421	26,715,177	998,677	28,718,275	21,235,673
Expenditure on:						
Charitable activities:						
Multi academy trust's educational operations		204,646	27,995,312	194,854	28,394,812	22,299,631
Total expenditure		204,646	27,995,312	194,854	28,394,812	22,299,631
Net income/ (expenditure) before transfers		799,775	(1,280,135)	803,823	323,463	(1,063,958)
Transfers between funds	19	(301,771)	(5,260)	307,031	-	-
Net movement in funds before other recognised gains/(losses)		498,004	(1,285,395)	1,110,854	323,463	(1,063,958)
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(2,229,000)	-	(2,229,000)	(2,998,000)
Net movement in funds		498,004	(3,514,395)	1,110,854	(1,905,537)	(4,061,958)
Reconciliation of funds:						
Total funds brought forward		3,201,994	(13,932,253)	2,256,197	(8,474,062)	(4,412,104)
Net movement in funds		498,004	(3,514,395)	1,110,854	(1,905,537)	(4,061,958)
Total funds carried forward		3,699,998	(17,446,648)	3,367,051	(10,379,599)	(8,474,062)

The notes on pages 29 to 63 form part of these financial statements.

St Chad's Academies Trust
(A company limited by guarantee)
Registered number: 08526973

Balance sheet
As at 31 August 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	14		**125,105**		35,814
Tangible assets	15		**2,570,551**		1,757,270
			2,695,656		1,793,084
Current assets					
Debtors	16	**1,282,135**		1,176,969	
Cash at bank and in hand		**6,788,366**		5,433,367	
		8,070,501		6,610,336	
Creditors: amounts falling due within one year	17	**(2,667,979)**		(2,675,264)	
Net current assets			**5,402,522**		3,935,072
Total assets less current liabilities			**8,098,178**		5,728,156
Creditors: amounts falling due after more than one year	18		**(30,777)**		(9,218)
Net assets excluding pension liability			**8,067,401**		5,718,938
Defined benefit pension scheme liability	27		**(18,447,000)**		(14,193,000)
Total net liabilities			**(10,379,599)**		(8,474,062)
Funds of the Multi Academy Trust					
Restricted funds:					
Restricted fixed asset funds	19	**3,367,051**		2,256,197	
Restricted income funds	19	**1,000,352**		260,747	
Restricted funds excluding pension liability	19	**4,367,403**		2,516,944	
Pension reserve	19	**(18,447,000)**		(14,193,000)	
Total restricted funds	19		**(14,079,597)**		(11,676,056)
Unrestricted income funds	19		**3,699,998**		3,201,994
Total funds			**(10,379,599)**		(8,474,062)

The financial statements on pages 26 to 63 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:

A Primrose

Dr A Primrose
Chair of Trustees

Statement of cash flows
for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	**1,456,927**	2,050,578
Cash flows from investing activities	23	**(95,946)**	(231,916)
Cash flows from financing activities	22	**(5,982)**	29,426
Change in cash and cash equivalents in the year		**1,354,999**	1,848,088
Cash and cash equivalents at the beginning of the year		**5,433,367**	3,585,279
Cash and cash equivalents at the end of the year	24, 25	**6,788,366**	5,433,367

The notes on pages 29 to 63 form part of these financial statements

1. Accounting policies

General information

St Chad's Academies Trust is a company limited by guarantee incorporated in England and Wales The registered number of the company is 08526973 and its registered office is St Mary's House, The Close, Lichfield, Staffordshire, WS13 7LD. The principal activity of the trust is given in the Trustees' report.

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 of financial statements

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

The Mulit Academy Trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Multi Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Multi 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 year for which it is receivable and any abatement in respect of the year 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.

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

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

- **Other income**
  Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Multi Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**
  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Transfer on conversion**
  Where assets and liabilities are received by the Multi Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Multi Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**
  These are costs incurred on the Multi Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Multi Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

1.7 Intangible assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

The estimated useful lives are as follows:

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	10 % straight line

1. Accounting policies (continued)

1.8 Tangible fixed assets

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

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

The multi academy trust occupies:
Land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

Having considered the fact that the multi academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the multi academy trust no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the Trustees have concluded that the value of the land buildings occupied by the multi academy trust will not be recognised on the balance sheet of the multi academy trust.

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

Depreciation is provided on the following bases:

Site improvements	- 2% straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line

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

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

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting policies (continued)

1.11 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 Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Provisions

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

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

1.13 Financial instruments

The Multi Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

1.14 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Multi Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Conversion to an academy trust

The conversion from a state maintained school to a Multi Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Mereside Church of England Primary School, Brewood Middle Church of England Primary School and St Mary's Church of England First School to the Multi Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1. Accounting policies (continued)

1.17 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation
Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Transfer from local authority on conversion	243,818	(806,000)	-	**(562,182)**
	243,818	(806,000)	-	**(562,182)**
Donations	219,399	-	-	**219,399**
Grants	-	-	998,677	**998,677**
	219,399	-	998,677	**1,218,076**
	463,217	(806,000)	998,677	**655,894**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Transfer from local authority on conversion	596,686	(2,216,000)	-	(1,619,314)
Similar incoming resource 2	-	-	-	-
	596,686	(2,216,000)	-	(1,619,314)
Donations	291,421	-	-	291,421
Grants	-	-	1,229,897	1,229,897
Similar incoming resources	-	-	-	-
	291,421	-	1,229,897	1,521,318
	888,107	(2,216,000)	1,229,897	(97,996)

4. Funding for the Multi Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	20,982,356	**20,982,356**
Other DfE/ESFA grants	4,193,398	**4,193,398**
	25,175,754	**25,175,754**
Other goverment grants		
Local authority grants	464,795	**464,795**
Early years funding	1,092,721	**1,092,721**
	1,557,516	**1,557,516**
Other funding		
Other income	536,886	**536,886**
Catering income	213,819	**213,819**
	750,705	**750,705**
Exceptional goverment funding		
Coronavirus exceptional support	35,202	**35,202**
	27,519,177	**27,519,177**

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 above under "exceptional government funding".

4. Funding for the Multi Academy Trust's educational operations (continued)

	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants		
General Annual Grant (GAG)	16,095,190	16,095,190
Start up grants	35,827	35,827
Other Dfe/ESFA grants	2,672,378	2,672,378
	18,803,395	18,803,395
Other goverment grants		
Local authority grants	419,962	419,962
Early years funding	888,427	888,427
	1,308,389	1,308,389
Other funding		
Other income	117,928	117,928
Catering income	283,647	283,647
	20,513,359	20,513,359

5. Other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Lettings	57,823	-	**57,823**
Music tution	11,618	-	**11,618**
Other income	112,078	2,000	**114,078**
Insurance receipts	126,023	-	**126,023**
Fundraising income	12,599	-	**12,599**
Higher Education Student Income	39,976	-	**39,976**
Private nursery income	6,466	-	**6,466**
Kids Club Income	167,436	-	**167,436**
Photogragh income	3,941	-	**3,941**
	537,960	2,000	**539,960**

5. Other trading activities (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Lettings	48,356	-	48,356
Music tution	5,613	-	5,613
Other income	134,870	10,173	145,043
Insurance receipts	90,826	-	90,826
Fundraising income	10,040	-	10,040
Higher Education Student Income	115,987	-	115,987
Private nursery income	171,756	-	171,756
Kids Club Income	225,563	-	225,563
Photogragh income	4,766	-	4,766
	807,777	10,173	817,950

6. Income from investments

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	3,244	**3,244**

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest receivable	2,360	2,360

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Multi Academy Trust's Educational Operations:				
Direct costs	18,667,507	-	2,495,378	**21,162,885**
Allocated support costs	3,430,058	1,461,109	2,340,760	**7,231,927**
	22,097,565	1,461,109	4,836,138	**28,394,812**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Multi Academy Trust's Educational Operations:				
Direct costs	13,854,171	-	2,322,804	16,176,975
Allocated support costs	2,682,129	1,264,792	2,175,735	6,122,656
	16,536,300	1,264,792	4,498,539	22,299,631

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	21,162,885	7,231,927	**28,394,812**

8. Analysis of expenditure by activities (continued)

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	16,176,975	6,122,656	22,299,631

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	**281,000**	251,000
Staff costs	**18,667,507**	13,854,171
Depreciation and amortisation	**194,854**	153,858
Educational supplies	**249,705**	175,825
Examination fees	**464**	878
Staff development	**117,288**	127,895
Technology costs	**613,415**	489,205
Educational consultancy	**524,251**	542,422
Other direct costs	**437,858**	490,588
Supply teacher insurance	**76,543**	91,133
	21,162,885	16,176,975

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	**3,430,058**	2,682,129
Staff development	**18,244**	6,842
Educational consultancy	**28,048**	27,294
Travel and subsistence	**57,750**	64,892
Other direct costs	**510,821**	522,074
Maintenance of premises	**462,208**	399,026
Maintenance of equipment	**180,838**	195,168
Cleaning	**456,483**	394,272
Rates	**88,979**	66,800
Water rates	**66,879**	56,739
Energy	**328,344**	224,832
Insurance	**119,015**	128,967
Catering costs	**1,027,704**	855,063
Other occupancy costs	**333,861**	338,197
Governance costs	**122,695**	160,361
	7,231,927	6,122,656

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	**186,300**	149,383
Amortisation of intangible assets	**8,554**	4,477
Auditor's remuneration	**40,275**	33,900

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	**16,212,301**	12,515,619
Social security costs	**1,417,268**	1,081,859
Pension costs	**4,455,377**	2,918,795
	22,084,946	16,516,273
Staff restructuring costs	**12,619**	20,027
	22,097,565	16,536,300

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	**-**	18,503
Severance payments	**12,619**	1,524
	12,619	20,027

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,619 (2019: £1,524). Individually, the payments were: £3,795, £3,290 and £5,534.

c. Staff numbers

The average number of persons employed by the Multi Academy Trust during the year was as follows:

	2020 No.	2019 No.
Teachers	**274**	202
Support	**500**	495
Management	**4**	3
	778	700

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	247	182
Support	334	321
Management	4	3
	585	506

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	8	3
In the band £70,001 - £80,000	8	5
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-

e. Key management personnel

The key management personnel of the Multi 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 Multi Academy Trust was £325,193 (2019 £263,995).

11. Central services

The Multi Academy Trust has provided the following central services to its academies during the year:

- Payroll services
- Financial services
- Education services
- HR services
- Legal services

The Multi Academy Trust charges for these services on the following basis:

5% of General Annual Grant

The actual amounts charged during the year were as follows:

	2020 £	2019 £
All Saints National Academy	**70,964**	66,463
Birchills Church of England Community School	**89,005**	86,415
Bishop Lonsdale Church of England Primary School	**42,176**	37,591
Brewood Church of England Middle School	**77,796**	-
Christ Church Church of England Primary School	**45,610**	34,088
Churchfield Church of England Primary Academy	**39,776**	37,834
Dawley Church of England Primary Academy	**43,701**	41,742
Havergal Church of England Primary School	**32,702**	32,219
Holy Trinity Church of England Primary Academy & Nursery	**53,355**	53,310
Mereside Church of England Primary School	**51,816**	-
St James Church of England Primary Academy	**19,075**	11,833
St John's Church of England Primary School (Stafford)	**73,675**	71,593
St John's Church of England Primary School	**46,989**	46,636
St Judes Church of England Primary Academy	**83,143**	77,234
St Mary's Church of England First School	**17,959**	-
St Matthew's Church of England Primary School	**21,131**	20,917
St Peter's Church of England Primary School	**36,419**	34,007
Stoke Minster Church of England Primary Academy	**84,482**	81,627
Trinity Church of England Primary School	**118,967**	55,886
Total	**1,048,741**	789,395

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Multi Academy Trust. The Chief Executive Officer only receives remuneration in respect of services she provides undertaking the roles under her contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
S M Wedgwood, Chief Executive Officer	Remuneration	**85,000 - 90,000**	80,000 - 85,000
	Pension contributions paid	**10,000 - 15,000**	10,000 - 15,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Multi Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity elements from the overall cost of the academy trusts insurance.

14. Intangible assets

	Computer software £
Cost	
At 1 September 2019	**44,767**
Additions	**97,845**
At 31 August 2020	**142,612**
Amortisation	
At 1 September 2019	**8,953**
Charge for the year	**8,554**
At 31 August 2020	**17,507**
Net book value	
At 31 August 2020	**125,105**
At 31 August 2019	35,814

15. Tangible fixed assets

	Site improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	**1,063,228**	**731,801**	**391,826**	**2,186,855**
Additions	**648,590**	**168,024**	**183,388**	**1,000,002**
Disposals	**-**	**-**	**(1,238)**	**(1,238)**
At 31 August 2020	**1,711,818**	**899,825**	**573,976**	**3,185,619**
Depreciation				
At 1 September 2019	**10,964**	**132,095**	**286,526**	**429,585**
Charge for the year	**22,262**	**80,518**	**83,520**	**186,300**
On disposals	**-**	**-**	**(817)**	**(817)**
At 31 August 2020	**33,226**	**212,613**	**369,229**	**615,068**
Net book value				
At 31 August 2020	**1,678,592**	**687,212**	**204,747**	**2,570,551**
At 31 August 2019	1,052,264	599,706	105,300	1,757,270

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	**12,655**	45,531
Other debtors	**14,564**	55,601
VAT repayable	**228,751**	298,678
Prepayments and accrued income	**1,026,165**	777,159
	1,282,135	1,176,969

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	**5,983**	33,524
Trade creditors	**559,660**	1,117,628
Other taxation and social security	**332,979**	280,191
Other creditors	**399,513**	307,117
Accruals and deferred income	**1,369,844**	936,804
	2,667,979	2,675,264

	2020 £	2019 £
Deferred income at 1 September 2019	**465,324**	440,350
Resources deferred during the year	**429,361**	465,324
Amounts released from previous periods	**(465,324)**	(440,350)
	429,361	465,324

At the balance sheet date the Multi Academy Trust was holding funds received in advance for the following:

Free school meals funding
Rates relief

18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	**30,777**	9,218

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	**8,466**	1,026
	8,466	1,026

Included within other loans are interest free Salix loans relating to an Energy Efficiency loan held by Churchfield Church of England Primary Academy and Havergal Church of England Primary School. The loans are to be repaid over 7 and 8 years through annual repayments of £2,048 and £3,935 respectively.

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	3,201,994	1,004,421	(204,646)	(301,771)	-	3,699,998
Restricted general funds						
General Annual Grant (GAG)	260,747	20,982,356	(20,175,988)	(66,763)	-	1,000,352
Other DfE / EFSA grants	-	4,228,600	(4,290,103)	61,503	-	-
Other goverment grants	-	1,557,516	(1,557,516)	-	-	-
Other restricted grants	-	752,705	(752,705)	-	-	-
Pension reserve	(14,193,000)	(806,000)	(1,219,000)	-	(2,229,000)	(18,447,000)
	(13,932,253)	26,715,177	(27,995,312)	(5,260)	(2,229,000)	(17,446,648)
Restricted fixed asset funds						
Other DfE / EFSA capital grants	2,256,197	309,630	(194,649)	307,031	-	2,678,209
SCA Income	-	689,047	(205)	-	-	688,842
	2,256,197	998,677	(194,854)	307,031	-	3,367,051
Total restricted funds	(11,676,056)	27,713,854	(28,190,166)	301,771	(2,229,000)	(14,079,597)
Total funds	(8,474,062)	28,718,275	(28,394,812)	-	(2,229,000)	(10,379,599)

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

Restricted funds
This fund represents grants and other income received for the multi academy trust's operational activities and development.

Pension reserve
The pension reserve included within restricted general funds represents the multi academy trust's share of the pension liability arising on the LGPS fund.

19. Statement of funds (continued)

Restricted fixed assets funds
Thus fund represents grants and other income received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
All Saints National CE Academy	**243,558**	227,967
Birchills CECommunity Academy	**586,592**	295,685
Bishop Lonsdale CE Primary Academy	**208,738**	112,005
Brewood CofE Middle School	**142,061**	-
Christ Church CE Primary Academy	**70,248**	62,190
Churchfield CE Primary Academy	**161,911**	141,455
Dawley CE Primary Academy	**315,090**	239,994
Havergal CE Primary Academy	**210,989**	233,905
Holy Trinity CE Primary Academy & Nursery	**161,879**	161,579
Mereside CE Primary School	**137,719**	-
St James CE Primary Academy	**44,876**	53,674
St John's CE Primary Academy (Stafford)	**414,660**	289,438
St John's CE Primary Academy	**458,242**	319,571
St Judes CE Primary Academy	**305,314**	305,753
St Mary's CE First School	**53,377**	-
St Matthew's CE Primary Academy	**112,511**	83,670
St Peter's CE Primary Academy	**133,846**	61,459
Stoke Minster CE Primary Academy	**344,770**	318,763
Trinity CE Primary Academy	**502,564**	502,363
Central services	**91,405**	53,270
Total before fixed asset funds and pension reserve	**4,700,350**	3,462,741
Restricted fixed asset fund	**3,367,051**	2,256,197
Pension reserve	**(18,447,000)**	(14,193,000)
Total	**(10,379,599)**	(8,474,062)

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
All Saints National	1,149,199	127,140	10,988	435,259	**1,722,586**
Birchills CE Community	1,664,642	260,507	7,280	289,784	**2,222,213**
Bishop Lonsdale CE Primary	852,559	90,632	1,779	243,368	**1,188,338**
Brewood CE Middle School	1,342,246	228,413	13,964	199,579	**1,784,202**
Christ Church CE Primary	874,062	118,914	11,444	253,698	**1,258,118**
Churchfield CE Primary	807,653	112,696	2,017	203,098	**1,125,464**
Dawley CE Primary	738,212	117,030	10,525	232,865	**1,098,632**
Havergal CE Primary	580,353	96,749	5,332	132,837	**815,271**
Holy Trinity CE Primary & Nursery	970,284	138,118	6,842	348,677	**1,463,921**
Mereside CE Primary School	1,014,293	130,824	7,670	242,900	**1,395,687**
St James CE Primary	319,332	77,050	1,041	132,428	**529,851**
St John's CE Primary (Stafford)	1,203,251	202,075	7,935	294,946	**1,708,207**
St John's CE Primary	623,360	133,448	2,685	211,435	**970,928**
St Judes CE Primary	1,551,339	328,187	17,143	476,985	**2,373,654**
St Mary's CE First School	262,629	60,020	3,407	105,876	**431,932**
St Matthew's CE Primary	369,212	53,260	7,158	116,630	**546,260**
St Peter's CE Primary	520,070	91,430	5,372	193,420	**810,292**
Stoke Minster CE Primary	1,666,049	244,494	4,454	357,835	**2,272,832**
Trinity CE Primary	2,439,762	223,931	22,547	721,511	**3,407,751**
Central services	-	595,140	100,586	378,093	**1,073,819**
Multi Academy Trust	18,948,507	3,430,058	250,169	5,571,224	**28,199,958**

19. Statement of funds (continued)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
All Saints National CE Academy	1,159,456	86,694	108,800	396,572	1,751,522
Birchills CECommunity Academy	1,570,233	279,435	104,945	437,619	2,392,232
Bishop Lonsdale CE Primary Academy	774,162	78,597	38,401	297,917	1,189,077
Christ Church CE Primary Academy	626,798	87,689	47,951	183,980	946,418
Churchfield CE Primary Academy	735,253	119,590	39,019	234,995	1,128,857
Dawley CE Primary Academy	726,043	111,709	65,108	243,383	1,146,243
Havergal CE Primary Academy	551,821	98,736	29,305	227,940	907,802
Holy Trinity CE Primary Academy & Nursery	959,113	137,054	104,291	339,271	1,539,729
St James CE Primary Academy	311,631	82,239	52,892	105,362	552,124
St John's CE Primary Academy (Stafford)	1,149,042	196,177	86,230	317,441	1,748,890
St John's CE Primary Academy	626,500	140,381	38,077	230,706	1,035,664
St Judes CE Primary Academy	1,439,876	344,761	142,688	429,412	2,356,737
St Matthew's CE Primary Academy	318,876	50,938	38,953	107,494	516,261
St Peter's CE Primary Academy	488,966	88,613	62,600	225,444	865,623
Stoke Minster CE Primary Academy	1,533,454	224,941	104,009	394,126	2,256,530
Trinity CE Primary Academy	1,132,423	102,107	63,266	337,187	1,634,983
Central services	-	453,988	4,861	515,163	974,012
Multi Academy Trust	14,103,647	2,683,649	1,131,396	5,024,012	22,942,704

19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	2,362,233	1,698,244	(199,765)	(658,718)	-	3,201,994
Restricted general funds						
General Annual Grant (GAG)	288,300	16,095,190	(16,479,000)	356,257	-	260,747
Other DfE / EFSA grants	25,132	2,708,205	(2,745,589)	12,252	-	-
Other goverment grants	-	1,308,389	(1,308,389)	-	-	-
Other restricted grants	-	411,748	(429,030)	17,282	-	-
Pension reserve	(7,995,000)	(2,216,000)	(984,000)	-	(2,998,000)	(14,193,000)
	(7,681,568)	18,307,532	(21,946,008)	385,791	(2,998,000)	(13,932,253)
Restricted fixed asset funds						
Other DfE / EFSA capital grants	907,231	1,229,897	(153,858)	272,927	-	2,256,197
Total Restricted funds	(6,774,337)	19,537,429	(22,099,866)	658,718	(2,998,000)	(11,676,056)
Total funds	(4,412,104)	21,235,673	(22,299,631)	-	(2,998,000)	(8,474,062)

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,570,551	**2,570,551**
Intangible fixed assets	-	-	125,105	**125,105**
Current assets	3,694,015	3,668,331	708,155	**8,070,501**
Creditors due within one year	5,983	(2,667,979)	(5,983)	**(2,667,979)**
Creditors due in more than one year	-	-	(30,777)	**(30,777)**
Provisions for liabilities and charges	-	(18,447,000)	-	**(18,447,000)**
Total	3,699,998	(17,446,648)	3,367,051	**(10,379,599)**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,757,270	1,757,270
Intangible fixed assets	-	-	35,814	35,814
Current assets	2,838,132	3,195,569	576,635	6,610,336
Creditors due within one year	363,862	(2,925,604)	(113,522)	(2,675,264)
Creditors due in more than one year	-	(9,218)	-	(9,218)
Provisions for liabilities and charges	-	(14,193,000)	-	(14,193,000)
Total	3,201,994	(13,932,253)	2,256,197	(8,474,062)

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per statement of financial activities)	**323,463**	(1,063,958)
Adjustments for:		
Depreciation and amortisation charges	**194,854**	153,860
Capital grants from DfE and other capital income	**(998,677)**	(805,436)
Interest receivable	**(3,224)**	(2,360)
Defined benefit pension scheme cost less contributions payable	**1,219,000**	984,000
Increase in debtors	**(105,166)**	(20,708)
Increase in creditors	**20,677**	589,180
Net liabilities on conversion	**806,000**	2,216,000
Net cash provided by operating activities	**1,456,927**	2,050,578

22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	**-**	31,474
Repayments of borrowing	**(5,982)**	(2,048)
Net cash (used in)/provided by financing activities	**(5,982)**	29,426

23. Cash flows from investing activities

	2020 £	2019 £
Bank interest received	**3,224**	2,360
Purchase of tangible fixed assets	**(1,097,847)**	(1,039,712)
Capital grants from DfE Group	**998,677**	805,436
Net cash used in investing activities	**(95,946)**	(231,916)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	6,788,366	5,433,367
Total cash and cash equivalents	6,788,366	5,433,367

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non-cash changes £	At 31 August 2020 £
Cash at bank and in hand	5,433,367	1,354,999	-	6,788,366
Debt due within 1 year	(33,524)	5,982	21,559	(5,983)
Debt due after 1 year	(9,218)	-	(21,559)	(30,777)
	5,390,625	1,360,981	-	6,751,606

26. Conversion to an academy trust

On 1 October 2019 Brewood CofE Middle School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academies Trust from Staffordshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Total funds £
Cash - representing budget surplus on LA funds	93,720	-	**93,720**
Non-current liabilities			
LGPS pension deficit	-	(258,000)	**(258,000)**
Net assets/(liabilities)	93,720	(258,000)	**(164,280)**

On 1 October 2019 Mereside CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academies Trust from Shropshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Total funds £
Current assets			
Cash - representing budget surplus on LA funds	121,578	-	**121,578**
Non-current liabilities			
LGPS pension deficit	-	(424,000)	**(424,000)**
Net assets/(liabilities)	121,578	(424,000)	**(302,422)**

26. Conversion to an academy trust (continued)

On 1 October 2019 St Mary's CofE First School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academies Trust from Staffordshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Restricted funds £	Total funds £
Non-current liabilities		
LGPS pension deficit	(124,000)	**(124,000)**
Net liabilities	(124,000)	**(124,000)**

27. Pension commitments

The Multi 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 Walsall Metropolian Borough Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £371,481 were payable to the schemes at 31 August 2020 (2019 - £258,891) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,071,269 (2019 - £1,068,327).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

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

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,716,000 (2019 - £1,303,000), of which employer's contributions totalled £1,406,000 (2019 - £1,057,000) and employees' contributions totalled £ 310,000 (2019 - £246,000). The agreed contribution rates for future years are 20.7 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 26 the LGPS obligation relates to the employees of the Multi Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	**3.08**	3.32
Rate of increase for pensions in payment/inflation	**2.35**	4.23
Discount rate for scheme liabilities	**1.79**	2.00
Inflation assumption (CPI)	**2.15**	2.05

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

	2020 Years	2019 Years
Retiring today		
Males	**22.9**	22.7
Females	**25.2**	25.4
Retiring in 20 years		
Males	**24.1**	24.2
Females	**26.9**	27.1

27. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	**(768,000)**	(615,000)
Discount rate -0.1%	**772,000**	623,000
Mortality assumption - 1 year increase	**547,000**	378,000
Mortality assumption - 1 year decrease	**(528,000)**	(366,000)
CPI rate +0.1%	**623,000**	462,000
CPI rate -0.1%	**(600,000)**	(366,000)

Share of scheme assets

The Multi Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	**6,182,000**	4,646,000
Gilts and bonds	**1,830,000**	1,368,000
Property	**746,000**	569,000
Cash and other liquid assets	**466,000**	185,000
Asset backed securities	**747,000**	498,000
Total market value of assets	**9,971,000**	7,266,000

The actual return on scheme assets was £407,000 (2019 - £194,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	**(2,344,000)**	(1,514,000)
Past service cost	**-**	(276,000)
Interest income	**168,000**	165,000
Interest cost	**(449,000)**	(416,000)
Total amount recognised in the Statement of financial activities	**(2,625,000)**	(2,041,000)

27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	**21,459,000**	13,046,000
Conversion of academy trusts	**1,852,000**	2,815,000
Current service cost	**2,344,000**	1,514,000
Interest cost	**449,000**	416,000
Employee contributions	**310,000**	246,000
Actuarial losses	**2,175,000**	3,240,000
Benefits paid	**(171,000)**	(94,000)
Past service costs	**-**	276,000
At 31 August	**28,418,000**	21,459,000

Changes in the fair value of the Multi Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	**7,266,000**	5,051,000
Conversion of academy trusts	**1,046,000**	599,000
Interest income	**168,000**	165,000
Actuarial (losses)/gains	**(54,000)**	242,000
Employer contributions	**1,406,000**	1,057,000
Employee contributions	**310,000**	246,000
Benefits paid	**(171,000)**	(94,000)
At 31 August	**9,971,000**	7,266,000

28. Operating lease commitments

At 31 August 2020 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	**41,328**	-
Later than 1 year and not later than 5 years	**32,647**	-
	73,975	-

29. Related party transactions

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

30. Controlling party

The immediate parent undertaking at the balance sheet date is the Church of England Central Education Trust (CECET), a a chairtable company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling at the balance sheet date is the Lichfield Diocesan Board of Education, a chairtable company registered in England and Wales.

31. Members' liability

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