

Company Registration No. 10167860 (England and Wales)

CHATSWORTH MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

CHATSWORTH MULTI ACADEMY TRUST

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CHATSWORTH MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Francine Brower
Ian McKinlay
Brendan Murden

Trustees

Cole Andrew (Chair) (Appointed 23 April 2020)
Andrew Bent (Appointed 26 November 2019)
Elaine Burfitt
John Corker (Resigned 9 November 2020)
David Deane (Resigned 20 October 2020)
Martin Hanbury (Accounting Officer)
Louise Hutchinson
Patrick Johnson

Leadership

Executive Headteacher, Accounting Officer
Principal, Chatsworth Futures
Headteacher, Chatsworth High School
and Community College
Vice-Principal, Chatsworth Futures
Deputy Headteacher, Chatsworth High School
and Community College
Assistant Headteacher
Assistant Headteacher

Role

Martin Hanbury

Helen Birkinhead

Bethany Cocken
Gayle Myers

Christa Donnelly
Cassandra Surrey

Registered Office

Chatsworth Multi Academy Trust, Chatsworth Road, Eccles,
M30 9DY

Company Number

10167860

Auditors

Haines Watts, Bridge House, Ashley Road, Hale, WA14 2UT

Bank

Lloyds Bank, 42-46 Market Street, Manchester M1 1PW

Solicitors

Browne Jacobson 18-22 Bridge Street Manchester, M3 3BZ

CHATSWORTH MULTI ACADEMY TRUST

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 period 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.

The Chatsworth Multi Academy Trust operates an academy for pupils aged 11 – 19 years serving a catchment area in Salford Local Authority and an Independent Specialist College (ISC) for learners aged 19 – 25 years. The academy is registered for 140 pupils and at the academy census in January 2020 had 131 pupils on roll. At the current time the academy has 140 pupils on roll. The ISC is called Chatsworth Futures and became a wholly owned company of the trust on 1 September 2018. In September 2019 there were 15 learners attending Chatsworth Futures.

Structure governance and management

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 charitable company is known as Chatsworth Multi Academy Trust.

The trustees of the Chatsworth Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Chatsworth Futures is not eligible for the RPA scheme as it is not an academy. Consequently, a separate insurance schedule has been purchased from Zurich Insurance PLC to cover all relevant aspects the college's operation.

Method of recruitment and appointment or election of trustees

The trustees of the Chatsworth Multi Academy Trust were invited to join the board due to their specific areas of expertise and skill. The members of the academy trust are tasked with agreeing the appointment of trustees as outlined in the Department for Education's Governance Handbook 2017 (page 46).

Two new trustees have been enrolled on the board during this academic year. Cole Andrew is a recently retired special school headteacher who acts as a SEND consultant and Ofsted Inspector. Andrew Bent is an asset manager who serves as a trustee for another trust and a NLG.

Policies and procedures adopted for the induction and training of trustees

There is currently no formal induction programme for new trustees. This is recognised as a priority area for development for the trust. Current arrangements include informal discussions between the executive headteacher, the chair of trustees and the candidate. Candidates then visit the school and college and salient documents are shared with them prior to a decision being made as to whether they should join the board.

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

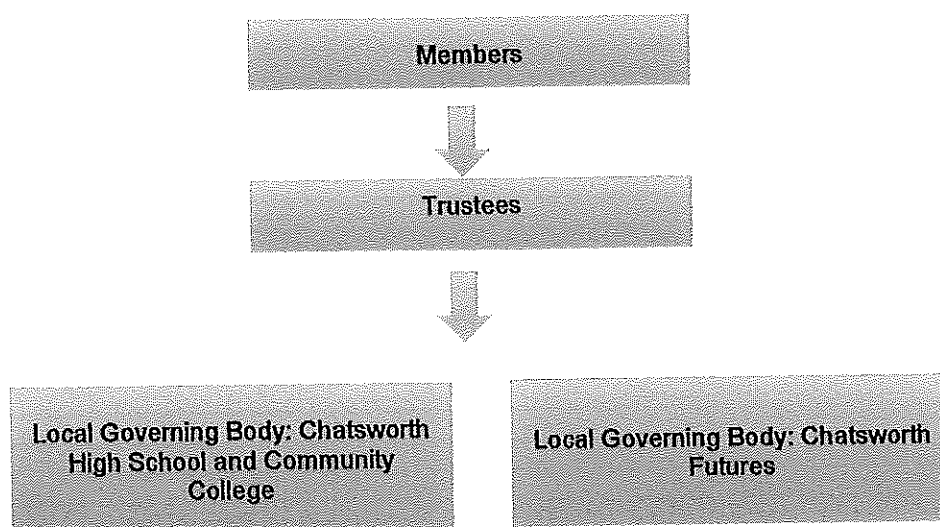
Organisational structure

The organisational structure of the academy trust is a simple hierarchy with members recognised as the signatories to the articles of the academy trust and therefore responsible for ensuring that the academy trust fulfils its charitable object. Trustees are both charity trustees and company directors of the academy trust who manage the business of the academy trust and fulfil all the executive functions of the academy trust. The Chatsworth High School and Community College local governing body is responsible for the operation of the academy and ensuring that standards within the academy are maintained at a high level.

The founding governors of Chatsworth Futures are directors of the company, Chatsworth Futures Limited. The Chatsworth Futures local governing body is responsible for the operation of the college and ensuring that high standards are achieved and maintained.

This structure is depicted in figure 1 below.

Figure 1.



Arrangements for setting pay and remuneration of key management personnel

The trustees are responsible for the performance management of the executive headteacher and all decisions regarding remuneration arising from this process. The academy's local governing board is responsible for the performance management of the headteacher in conjunction with the executive headteacher. The executive headteacher advises the local governing board's Headteacher Pay Committee who is responsible for all decisions regarding remuneration. The executive headteacher currently serves as principal of Chatsworth Futures and therefore all decisions regarding remuneration are addressed as described above.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£314.42
Provide the total pay bill	£3,154,433.32
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0099%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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Related parties and other connected charities and organisations

Chatsworth Multi Academy Trust is connected to Chatsworth Engage Limited as defined by the relevant Charities SORP with which it has transacted. Chatsworth Engage Limited is an Independent Life Skills Group incorporated as a company limited by guarantee which provides community based activities and care for people who experience learning difficulties. Many of these people are former pupils at Chatsworth High School and Community College and learners from Chatsworth Futures and there is a strong association between the trust and Chatsworth Engage.

Objectives and activities

Objects and aims

The objects and aims of the academy trust as laid down in its articles of association are to advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The objects and aims of the academy trust are enshrined in the Mission Statement and Core Values of the academy trust which are outlined below:

Mission Statement

The Chatsworth Multi Academy Trust has been established to bring together high quality provision, professionals and practitioners in the Greater Manchester area in order to maximise the quality of education, care and opportunity for children and young people with special educational needs and disabilities.

The Chatsworth Multi Academy Trust aims to provide an integrated and continuous pathway for the learning and development of children and young people from 0 – 25 years which is inclusive and aspirational. Throughout the academy trust individuals are valued for themselves, challenged to achieve excellence in everything they do and share a bond of mutual respect for others and the environment in which they learn.

The Chatsworth Multi Academy Trust is a safe, open and progressive learning community in which all children and young people are at the heart of everything we do as we strive with energy, enthusiasm and enjoyment to achieve excellence together.

Core values

1. To provide a safe, healthy and secure learning community which serves the Greater Manchester area and in which children and young people thrive and develop.
2. To deliver excellence in the quality of education for children and young people with special educational needs and disabilities by combining and sharing the knowledge, skills and expertise of all partners across the academy trust.
3. To support the health needs of all children and young people in the academy trust in order to enable their learning potential to be fully achieved.
4. To achieve excellence across the academy trust through a shared process of rigorous self-evaluation focused on the quality of teaching and assessment that underpins good or better progress and positive pupil outcomes.

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5. To engender a culture of mutual respect, care and fairness throughout the academy trust in which each individual is explicitly valued and their achievements are celebrated.
6. To ensure that excellence in learning is achieved through enjoyment, excitement, energy and enthusiasm in all children and young people.
7. To sustain a financially viable academy trust in which resources are employed efficiently according to best value principles and shared fairly according to needs.
8. To work in a proactive and positive partnership with parents and carers to support the holistic development of their child.
9. To create and nurture a staff team of the highest quality through effective and safe recruitment, frequent and regular continuing professional learning and opportunities for career development.
10. To build resilience in all children and young people in order to support their personal development, behaviour and well-being and support their transition into happy, fulfilling and empowered adult lives.

Objectives, strategies and activities

In order to achieve the academy trust's objects, this mission and secure these values the academy trust will ensure that the quality of learning for all pupils and learners is of a consistently high calibre, that there is a sound financial basis for the operation and strategic development of the academy trust and that partnership with all parents, carers and agencies is beneficial to all pupils and learners.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. Trustees have undertaken a variety of activities which further the academy trust's purposes for public benefit. Activities include:

- Ofsted inspection work
- Consultancy programme for local schools
- Providing training for local schools and colleges
- Participation in the Buile Hill SCITT
- Support for Edge Hill University
- Collaboration with Salford City Council to develop adult day provision
- Membership of Salford Schools Forum
- Membership of Salford City Council SEND Board and CWD Expert Reference Group
- Leading strategy for PBS in Salford
- Authorship of the Index of Harms for the Home Office and SWGfL

Strategic report

Achievements and performance

The core business of the academy trust is the provision of high quality education for pupils and learners with learning difficulties. Consequently, the primary performance indicator for the academy trust is the progress pupils and learners are making. During the academic year 2019-2020 learning and progress have been significantly impacted by the Covid-19 pandemic. However, the Ofsted Inspection of September 2019 judged the school to be outstanding in all areas and the Ofsted monitoring visit of January 2020 judged Chatsworth Futures to have made significant progress in two of three identified areas.

Key performance indicators

Self evaluation processes across the trust continue to develop with new ideas being introduced at both the school and Chatsworth Futures in order to encourage more reflective practice. Pupil numbers at the school for 2019-2020 have been at 131 and learner numbers at Chatsworth Futures are at 15. The school's PAN has been increased to 140 in conjunction with Salford LA and projected numbers for Chatsworth Futures for the academic year 2020-2021 have been realised at 25.

Going concern

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

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The vast majority of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities. The trust also received grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2020, total expenditure of £4,354,000 was incurred which excludes depreciation of £69,000 and FRS 102 service costs of £37,000 which was more than covered by the recurrent grant income from the ESFA, together with other incoming resources which totalled £2,722,000. Total funds carried forward amount to £561,000 excluding the restricted fixed asset fund of £240,000 and the deficit on the pension reserve of £2,108,000. This is in line with the trust's strategy to build and maintain adequate reserves to meet the long-term cyclical needs of renewal and any unforeseen contingencies. Unrestricted income in the year ended 31 August 2020 amounted to £81,000. Unrestricted expenditure amounted to £18,000.

At 31 August 2020 the net book value of fixed assets amounted to £240,000 and movements in fixed assets are shown in note 12 of the financial statements. The cost of fixed asset additions in the year ended 31 August 2019 amounted to £74,000.

The Finance Manual for 2019 – 2020 has been revised according to ESFA updates.

Reserves policy

At the end of the academic year 2019 – 2020 reserves for the academy trust were £561,000. These reserves will be used prudently to ensure the continuing financial viability of the academy trust providing stability to pupil and learner led income streams which are variable across the special needs sector due to the demographic fluctuations in the SEND population year on year. Trustees have identified a minimum of £175,000 be held in reserve.

Investment policy and powers

The academy trust has no plans for investments of any kind.

Principal risks and uncertainties

The principal risks to the academy trust emanate from the same sources as previously but significantly exacerbated by the pandemic. Additional costs related to increasing resources and changes in practice have been factored into financial planning. However, at the current time, a great deal of uncertainty remains around the final impact of the pandemic on finances. Whilst these uncertainties pertain it would be remiss to take no mitigating actions and consequently the trust has commissioned a School Resource Management Audit which is aligned to the ESFA's Covid Recovery planning process. This audit will enable trustees to develop an objective view of how effectively and efficiently the trust uses its resources, including its human resources, and to explore further funding support which may be available during these challenging times.

The additional costs incurred because of the pandemic experienced by the trust have, so far, related predominantly to staffing costs. These costs have increased for a number of reasons most notably the necessity to ensure that staff members do not work across a large number of groups. This reduces the capacity to deploy staff as efficiently across the trust as previously to cover absence, PPA and other activities. The trust has also incurred significant additional costs for PPE given the need to continue to provide high levels of personal care. Whilst Salford Local Authority has provided some PPE, the cost is significant. Moreover, whilst additional costs can be claimed back, it is not yet clear what constitutes a valid claim as guidance is unclear. Therefore, it would be wise to remain circumspect whilst anticipating any support from the DfE in this regard.

A further obstacles presented by the pandemic has been the suspension of specific elements of the trust's Strategic Development Plan. Of the three key objectives, two have been significantly impacted as follows

1. To successfully incorporate Chatsworth Engage into the Chatsworth Multi Academy Trust - **Deferred**
2. To secure suitable premises in order to accommodate increasing pupil and learner numbers - **Ongoing**
3. To develop the Chatsworth Outreach Service (COS) to support mainstream settings in providing high quality education for pupils and learners with SEND – **Suspended**

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees have received an updated review of the Strategic Development Plan noting these alterations and proposing mitigating actions.

The difficulties which emerged from the ESFA ceasing funding for new learners for September 2019 following an inadequate inspection judgement in January 2020 have been alleviated by the significant progress Chatsworth Futures has made towards improvement. Learners admitted in September 2019 were funded solely by Salford LA who generously paid for elements 1, 2 and 3 whereas ordinarily the ESFA would fund elements 1 and 2. The improved inspection position entails that the ESFA has restored funding for new learners and therefore new learners joining in September 2020 will be funded by both Salford LA and the ESFA.

Fundraising activities

Approach to fundraising

All fundraising was carried out by employees of the trust on behalf of the trust and registered charity Chatsworth High Association of Parents and Staff (C.H.A.P.S.), charity number 1022748, via planned events. A professional fundraiser or commercial participator was not employed. Activities have halted due to the pandemic although this has not significantly impacted on the finances of the trust.

Work with, and oversight of, any commercial participators / professional fundraisers

No work with, and therefore oversight of, commercial participators / professional fundraisers took place.

Fundraising conforming to recognised standards

All fundraising in respect of activities on behalf of the trust / C.H.A.P.S. took place with regard to the Charities (Protection and Social Investment) Act 2016.

Monitoring of fundraising carried out on its behalf

Fundraising activities were monitored by the executive headteacher on behalf of the trust and the chair of the PTA (C.H.A.P.S.). An Annual Return to the Charities Commission was also submitted. All monitoring and evaluation requirements laid down by funding bodies were strictly adhered to.

Fundraising complaints

No fundraising complaints were received.

Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate

Only parents, carers and businesses with an existing relationship with the trust / C.H.A.P.S. were contacted in relation to fundraising activities. Contact was made via letters to parents and carers to inform them of planned fundraising events and these communications were approved via a member of the senior leadership team. Local businesses were contacted via letter or in person to request donations for planned events and these methods of communication were approved by a member of the senior leadership team. All trust employees are required to adhere to an Employee Code of Conduct as part of their contractual terms and conditions.

Funding applications made and received on behalf of the trust:

None due to the pandemic

Funding activities carried out by the trust on behalf of other organisations:

BBC Children in Need	£199.62
Red Nose Sport Relief	£203.70
Macmillan Cancer Support	£519.99
Australian Bush Fires non-uniform day	£77.35
RMCH Xmas Jumper Day	£111.24

C.H.A.P.S. Activities

Christmas Fair	£2,066.78
Leavers Prom	£701.35
International Week	£444.75
Be Seen in Yellow Day	£108.00
Easter Raffle	£93.00
Halloween activities	£35.90

CHATSWORTH MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Donations

ANS Group Limited	£500.00
Rosie Egan	£1,740.00
Shirley Bennett	£635.00

Financial and risk management objectives and policies

The academy trust does not currently have risk management objectives or policies and risks are currently assessed and mitigated through the processes of trustee meetings and finance committee meetings. During this academic year, the trustees engaged the services of One Education to support the financial structures and practices of the trust. Moreover, the trust engaged the services of Haines Watts to support internal assurance processes resulting in clear and timely information being regularly available towards the end of the academic year.

Plans for future periods

The longer term plans for the academy trust are captured in the trust's Strategic Development Plan 2019 – 2022. The key objectives from the Strategic Development Plan have been discussed previously in this report. Objectives from the Operational Development Plan remain

1. To develop the Business Support and IT function of the trust so that they are fit for purpose and future proofed
2. To ensure high quality governance of the Chatsworth Multi Academy Trust
3. To implement a quality assurance programme so that high quality provision is secured across the trust
4. To implement an equitable and effective performance management process for all employees in the trust
5. To develop policies, protocols and practices to ensure alignment and connectivity across the trust

These operational objectives have been less affected by the pandemic and progress towards continues and is reflected in the review shared with trustees.


Auditor

In so far as the trustees are aware:

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

A resolution proposing that Haines Watts be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21 JANUARY 2021 and signed on its behalf by:



Cole Andrew
Chair of trustees

CHATSWORTH MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the executive headteacher 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 Chatsworth Multi Academy Trust and the Secretary of State for Education. The executive headteacher is 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 three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Name	26.11.19	31.03.20 (Virtual)	14.07.20 (Virtual)
Elaine Burfitt	/	/	/
John Corker	/	/	/
David Deane	/	A	/
Martin Hanbury	/	/	/
Louise Hutchinson	/	/	/
Patrick Johnson	/	/	/
Cole Andrew	/	/	/
Andrew Bent			/
Francine Brower (M)			A
Ian McKinlay (M)		/	/
Brendan Murden (M)			A

(M) denotes member of the trust

The Finance, Risk and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to determine the financial strategies underpinning the work of the trust ensuring that the trust remains viable and focuses funding on the strategic priorities identified in the development plan. The Finance Committee scrutinises budget planning and expenditure providing best value challenges to senior leaders in the trust. The committee usually meets approximately two weeks before trustee meetings and provides verbal reports to trustees based around the minutes of the Finance Committee meeting. Attendance at Finance Committee meetings is shown below.

Name	15.11.19	29.02.20	03.03.20
John Corker	/	/	/
Martin Hanbury	/	/	/
Louise Hutchinson	/	/	A

Having reviewed the effectiveness of governance of the academy trust, trustees are of the view that the current board is effective. A skills audit has been conducted and the board has concluded that there are gaps in some areas but that these are not currently adversely affecting the activity of the academy trust. Any future development of the academy trust may require further skills and attributes being sought and the board being expanded accordingly. A further skills audit will be conducted at the end of the current academic year.

CHATSWORTH MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer, the executive headteacher has responsibility for ensuring that the 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 the 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 sought to deliver improved value for money during the year by reviewing service level agreements for finance, human resources, payroll and legal services and continuing the development of the business support team in order to secure efficiencies. A new leadership structure has been achieved within the school and the college in order to improve financial efficiency.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chatsworth Multi Academy Trust for the period 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 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 risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Haines Watts as internal auditors

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:

- An internal assurance report in February 2020
- An internal assurance report in July 2020
- An internal assurance report in August 2020

On a regular basis, the internal auditor reports to the board of trustees, through the Finance Committee on the operation of the systems of control.

Following release of the revised FRC Ethical Standard, Beever and Struthers have been appointed the role of internal auditors from 1 September 2020.

CHATSWORTH MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

As accounting officer, the executive headteacher 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 external auditor;
- the work of the internal auditor; and
- the work of the personnel within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of the review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Martin Hanbury
Accounting officer



Cole Andrew
Chair of trustees

CHATSWORTH MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Chatsworth Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

Martin Hanbury
Accounting officer



21/1/2021

CHATSWORTH MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Chatsworth Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 21/1/2021 and signed on its behalf by:



Cole Andrew
Chair of trustees

CHATSWORTH MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATSWORTH MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the 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 accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

CHATSWORTH MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATSWORTH MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

CHATSWORTH MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATSWORTH MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Haines Watts

John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: *21/1/2021*

CHATSWORTH MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHATSWORTH MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 7 October 2016 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 Chatsworth Multi Academy Trust during the period 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 Chatsworth Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Chatsworth Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chatsworth Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chatsworth Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chatsworth Multi Academy Trust's funding agreement with the Secretary of State for Education dated 28 September 2016 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

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 period 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 academy trust's income and expenditure.

CHATSWORTH MULTI ACADEMY TRUST

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

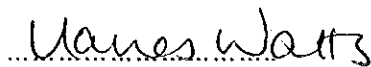
FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

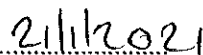
- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



Haines Watts
Reporting Accountant

Date: 

CHATSWORTH MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	3	-	-	7	7	19
Charitable activities:						
- Funding for educational operations	4	-	3,591	-	3,591	3,157
Chatsworth Futures Ltd	8	20	531	11	562	582
Other trading activities	5	61	-	-	61	48
Total		<u>81</u>	<u>4,122</u>	<u>18</u>	<u>4,221</u>	<u>3,806</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	18	3,843	46	3,907	3,580
Chatsworth Futures Ltd	8	-	488	23	511	739
Charitable expenditure - transfer of existing academy into the trust		-	-	-	-	(398)
Total	6	<u>18</u>	<u>4,331</u>	<u>69</u>	<u>4,418</u>	<u>3,921</u>
Net income/(expenditure)		63	(198)	(62)	(197)	(115)
Transfers between funds	14	-	(41)	41	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	23	-	23	(775)
Net movement in funds		63	(216)	(21)	(174)	(890)
Reconciliation of funds						
Total funds brought forward		<u>100</u>	<u>(1,452)</u>	<u>261</u>	<u>(1,091)</u>	<u>(201)</u>
Total funds carried forward		<u>163</u>	<u>(1,668)</u>	<u>240</u>	<u>(1,265)</u>	<u>(1,091)</u>

CHATSWORTH MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000
Income and endowments from:					
Donations and capital grants	3	-	-	19	19
Charitable activities:					
- Funding for educational operations	4	-	3,157	-	3,157
Chatsworth Futures Ltd		87	481	14	582
Other trading activities	5	48	-	-	48
Total		<u>135</u>	<u>3,638</u>	<u>33</u>	<u>3,806</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	19	3,395	166	3,580
Chatsworth Futures Ltd		10	697	32	739
Charitable expenditure - transfer of existing academy into the trust		-	(398)	-	(398)
Total	6	<u>29</u>	<u>3,694</u>	<u>198</u>	<u>3,921</u>
Net income/(expenditure)		106	(56)	(165)	(115)
Transfers between funds	14	(76)	(227)	303	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	16	-	(775)	-	(775)
Net movement in funds		30	(1,058)	138	(890)
Reconciliation of funds					
Total funds brought forward		70	(394)	123	(201)
Total funds carried forward		<u>100</u>	<u>(1,452)</u>	<u>261</u>	<u>(1,091)</u>

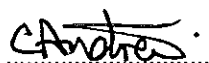
CHATSWORTH MULTI ACADEMY TRUST

GROUP BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		240		261
Current assets					
Debtors	12	432		218	
Cash at bank and in hand		641		516	
		<u>1,073</u>		<u>734</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	<u>(470)</u>		<u>(321)</u>	
Net current assets			<u>603</u>		<u>413</u>
Net assets excluding pension liability			<u>843</u>		<u>674</u>
Defined benefit pension scheme liability	16		<u>(2,108)</u>		<u>(1,765)</u>
Total net liabilities			<u>(1,265)</u>		<u>(1,091)</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			240		261
- Restricted income funds			440		313
- Pension reserve			<u>(2,108)</u>		<u>(1,765)</u>
Total restricted funds			<u>(1,428)</u>		<u>(1,191)</u>
Unrestricted income funds	14		<u>163</u>		<u>100</u>
Total funds			<u>(1,265)</u>		<u>(1,091)</u>

The accounts were approved by the trustees and authorised for issue on 21/1/2021 and are signed on their behalf by:



Cole Andrew
Chair of trustees

Company Number 10167860

CHATSWORTH MULTI ACADEMY TRUST

ACADEMY BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	147	152
Current assets			
Debtors	12	301	204
Cash at bank and in hand		570	404
		871	608
Current liabilities			
Creditors: amounts falling due within one year	13	(466)	(299)
Net current assets		405	309
Net assets excluding pension liability		552	461
Defined benefit pension scheme liability	16	(2,108)	(1,765)
Total net liabilities		(1,556)	(1,304)
Funds of the academy trust:			
Restricted funds	14		
- Fixed asset funds		149	152
- Restricted income funds		271	220
- Pension reserve		(2,108)	(1,765)
Total restricted funds		(1,688)	(1,393)
Unrestricted income funds	14	132	89
Total funds		(1,556)	(1,304)

The accounts were approved by the trustees and authorised for issue on 21/11/2021 and are signed on their behalf by:



Cole Andrew
Chair of trustees

Company Number 10167860

CHATSWORTH MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £000	£000	2019 £000	£000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	17		166		(211)
Cash funds transferred on conversion			-		193
			<u>166</u>		<u>(18)</u>
Cash flows from investing activities					
Capital grants from DfE Group		7		33	
Purchase of tangible fixed assets		<u>(48)</u>		<u>(74)</u>	
Net cash used in investing activities			<u>(41)</u>		<u>(41)</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			125		(59)
Cash and cash equivalents at beginning of the year			<u>516</u>		<u>575</u>
Cash and cash equivalents at end of the year			<u>641</u>		<u>516</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

Leasehold building improvement	10 year straight line
Computer equipment	3 year straight line
Fixtures, fittings & equipment	5 year straight line
Motor vehicles	4 year reducing balance

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

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

1.11 Fund accounting

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

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

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

1.12 PFI arrangements

The Academy has a PFI arrangement in place which covers maintenance and facility management arrangements. Payments are accounted for in the period to which they relate. The academy buildings were built under a PFI agreement, as at 31 August 2020 the agreement had a further 9 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2016 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.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	7	7	19

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
General annual grant (GAG)	-	1,024	1,024	1,027
Other DfE group grants	-	157	157	67
	-	1,181	1,181	1,094
Other government grants				
Local authority grants	-	2,410	2,410	2,063
Total funding	-	3,591	3,591	3,157

The academy trust received £2,410,000 (2019: £2,063,000) from the local authority in the year, being £2,345,000 high needs funding, £25,000 being after school club funding and £40,000 being other school funds income from Salford Council, Warrington council, Manchester City council, Bury Council and Wigan council.

There were no unfulfilled conditions or other contingencies relating to the grants received during the year.

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Catering income	12	-	12	17
Parental contributions	14	-	14	26
Other income	35	-	35	5
	<u>61</u>	<u>-</u>	<u>61</u>	<u>48</u>

6 Expenditure

	Staff costs £000	Non-pay expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Academy's educational operations					
- Direct costs	1,115	38	93	1,246	1,189
- Allocated support costs	2,062	490	136	2,688	2,391
	<u>3,177</u>	<u>528</u>	<u>229</u>	<u>3,934</u>	<u>3,580</u>

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Fees payable to auditor for audit services	11	10
Operating lease rentals	18	21
Depreciation of tangible fixed assets	69	83
Loss on disposal of fixed assets	-	115
Net interest on defined benefit pension liability	37	23

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Direct costs				
Educational operations	6	1,240	1,246	1,189
Support costs				
Educational operations	12	2,676	2,688	2,391
	<u>18</u>	<u>3,916</u>	<u>3,934</u>	<u>3,580</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

Analysis of costs	2020	2019
	£000	£000
Direct costs		
Teaching and educational support staff costs	1,108	1,005
Staff development	7	18
Depreciation	38	41
Technology costs	12	16
Educational supplies and services	74	96
Examination fees	1	1
Other direct costs	6	12
	<u>1,246</u>	<u>1,189</u>
Support costs		
Support staff costs	2,062	1,752
Depreciation	10	10
Technology costs	1	3
Maintenance of premises and equipment	471	457
Cleaning	7	8
Insurance	2	2
Security and transport	6	6
Catering	12	17
Interest on defined benefit pension scheme	37	23
Legal costs	13	14
Other support costs	53	80
Governance costs	14	19
	<u>2,688</u>	<u>2,391</u>

Maintenance of premises includes PFI charges totalling £449,000 (2019: £429,000). These amounts are paid to the local authority, are index linked and the Academy is committed to these payments until 2029.

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Chatsworth Futures Limited trading account

	2020 £'000	2019 £'000
Income		
Direct income		
Local authority grant income	542	556
Other income		
Parental contributions	20	26
	<u>562</u>	<u>582</u>
Total income	562	582
Expenditure		
Direct costs		
Direct staff costs	298	381
Other direct costs	47	78
	<u>345</u>	<u>459</u>
Other costs		
Depreciation	23	32
Travel	3	6
Maintenance of premises and equipment	22	20
Rent, rates and other occupancy costs	30	18
Cleaning	9	10
Technology	15	16
Legal and professional costs	10	10
Other support costs	54	53
Profit or loss on sale of tangible assets	-	115
	<u>166</u>	<u>280</u>
Total expenditure	<u>511</u>	<u>739</u>
Surplus/(deficit) for the period to 31 August 2020	51	(157)
Chatsworth Futures Limited at 1 September 2019	<u>240</u>	<u>397</u>
Chatsworth Futures Limited at 31 August 2020	<u>292</u>	<u>240</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £000	2019 £000
Wages and salaries	2,142	1,810
Social security costs	223	207
Pension costs	736	587
Staff costs - employees	3,101	2,604
Agency staff costs	60	90
Staff restructuring costs	9	63
	3,170	2,757
Staff development and other staff costs	7	18
Total staff expenditure	3,177	2,775

Staff restructuring costs comprise:

Severance payments	9	63
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,804 (2019: £35,350).

Staff numbers

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

	2020 Number	2019 Number
Teachers	21	20
Administration and support	76	72
Management	6	5
	103	97

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £473,000 (2019: £432,000).

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

M Hanbury (Executive Headteacher)

Remuneration: £90,001 - £95,000 (2019: £90,001 - £95,000)

Employer's pension contributions: £20,001 - £25,000 (2019: £15,001 - £20,000)

During the year ended 31 August 2020, £232 of travel and subsistence payments were reimbursed or paid directly to trustees. (2019 £0)

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

11 Insurance for trustees and officers

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

12 Tangible fixed assets – Group and Academy

	Leasehold building improvement	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2019	82	59	147	59	347
Additions	5	31	12	-	48
	<u>87</u>	<u>90</u>	<u>159</u>	<u>59</u>	<u>395</u>
At 31 August 2020	87	90	159	59	395
Depreciation					
At 1 September 2019	(38)	37	65	22	86
Charge for the year	35	15	10	9	69
	<u>(3)</u>	<u>52</u>	<u>75</u>	<u>31</u>	<u>155</u>
At 31 August 2020	(3)	52	75	31	155
Net book value					
At 31 August 2020	90	38	84	28	240
At 31 August 2019	120	22	82	37	261

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Debtors

	Group	Group	Academy	Academy
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	-	-	-	-
VAT recoverable	12	74	12	74
Other debtors	-	10	-	-
Prepayments and accrued income	420	134	289	130
	<u>432</u>	<u>218</u>	<u>301</u>	<u>204</u>

14 Creditors: amounts falling due within one year

	Group	Group	Academy	Academy
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	11	8	11	8
Other creditors	4	72	4	72
Accruals and deferred income	455	241	451	219
	<u>470</u>	<u>321</u>	<u>466</u>	<u>299</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Funds - Group

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	1,024	(973)	-	51
Other DfE / ESFA grants	-	468	(427)	(41)	-
Other government grants	162	2,641	(2,706)	-	97
Other restricted funds	151	-	141	-	292
Pension reserve	(1,765)	-	(366)	23	(2,108)
	<u>(1,452)</u>	<u>4,133</u>	<u>(4,331)</u>	<u>(18)</u>	<u>(1,668)</u>
Restricted fixed asset funds					
Inherited on conversion	239	-	(35)	-	204
DfE group capital grants	-	7	(34)	41	14
Capital expenditure from GAG	22	-	-	-	22
	<u>261</u>	<u>7</u>	<u>(69)</u>	<u>41</u>	<u>240</u>
Total restricted funds	<u>(1,191)</u>	<u>4,140</u>	<u>(4,400)</u>	<u>23</u>	<u>(1,428)</u>
Unrestricted funds					
General funds	<u>100</u>	<u>81</u>	<u>(18)</u>	<u>-</u>	<u>163</u>
Total funds	<u>(1,091)</u>	<u>4,221</u>	<u>(4,418)</u>	<u>23</u>	<u>(1,265)</u>

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The transfer from restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

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

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Funds - Group

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	346	1,027	(1,688)	315	-
Other DfE / ESFA grants	-	275	(67)	-	208
Other government grants	-	2,336	(1,632)	(542)	162
Other restricted funds	-	-	(57)	-	(57)
Pension reserve	(740)	-	(250)	(775)	(1,765)
	<u>(394)</u>	<u>3,638</u>	<u>(3,694)</u>	<u>(1,002)</u>	<u>(1,452)</u>
Restricted fixed asset funds					
Transfer on conversion	42	-	(84)	281	239
DfE group capital grants	17	33	(50)	-	-
Capital expenditure from GAG	64	-	(64)	22	22
	<u>123</u>	<u>33</u>	<u>(198)</u>	<u>303</u>	<u>261</u>
Total restricted funds	<u>(271)</u>	<u>3,671</u>	<u>(3,892)</u>	<u>(699)</u>	<u>(1,191)</u>
Unrestricted funds					
General funds	<u>70</u>	<u>135</u>	<u>(29)</u>	<u>(76)</u>	<u>100</u>
Total funds	<u>(201)</u>	<u>3,806</u>	<u>(3,921)</u>	<u>(775)</u>	<u>(1,091)</u>

Total funds analysis by academy

	2020 £000	2019 £000
Fund balances at 31 August 2020 were allocated as follows:		
Chatsworth High School & Community College	403	309
Chatsworth Futures Ltd	<u>200</u>	<u>103</u>
Total before fixed assets fund and pension reserve	603	413
Restricted fixed asset fund	240	261
Pension reserve	<u>(2,108)</u>	<u>(1,765)</u>
Total funds	<u>(1,265)</u>	<u>(1,091)</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Funds - Academy

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,024	(973)	-	51
Other DfE / ESFA grants	-	157	(119)	(38)	-
Other government grants	220	2,410	(2,410)	-	220
Pension reserve	(1,765)	-	(366)	23	(2,108)
	<u>(1,545)</u>	<u>3,591</u>	<u>(3,868)</u>	<u>(15)</u>	<u>(1,837)</u>
Restricted fixed asset funds					
Inherited on conversion	88	-	(15)	-	73
DfE group capital grants	-	7	(33)	38	12
Capital expenditure from GAG	64	-	-	-	64
	<u>152</u>	<u>7</u>	<u>(48)</u>	<u>38</u>	<u>149</u>
Total restricted funds	<u>(1,393)</u>	<u>3,598</u>	<u>(3,916)</u>	<u>23</u>	<u>(1,688)</u>
Unrestricted funds					
General funds	89	61	(18)	-	132
	<u>89</u>	<u>61</u>	<u>(18)</u>	<u>-</u>	<u>132</u>
Total funds	<u>(1,304)</u>	<u>3,659</u>	<u>(3,934)</u>	<u>23</u>	<u>(1,556)</u>

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

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

The transfer from restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Funds - Academy

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	346	1,027	(1,575)	202	-
Other DfE / ESFA grants	-	67	(67)	-	-
Other government grants	-	2,063	(1,580)	(263)	220
Pension reserve	(740)	-	(250)	(775)	(1,765)
	<u>(394)</u>	<u>3,157</u>	<u>(3,472)</u>	<u>(836)</u>	<u>(1,545)</u>
Restricted fixed asset funds					
Transfer on conversion	42	-	(15)	61	88
DfE group capital grants	17	19	(36)	-	-
Capital expenditure from GAG	64	-	-	-	64
	<u>123</u>	<u>19</u>	<u>(51)</u>	<u>61</u>	<u>152</u>
Total restricted funds	<u>(271)</u>	<u>3,176</u>	<u>(3,523)</u>	<u>(775)</u>	<u>(1,393)</u>
Unrestricted funds					
General funds	<u>70</u>	<u>48</u>	<u>(29)</u>	<u>-</u>	<u>89</u>
Total funds	<u>(201)</u>	<u>3,224</u>	<u>(3,552)</u>	<u>(775)</u>	<u>(1,304)</u>

Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Chatsworth High School & Community College	1,108	2,069	74	683	3,934	3,580
Chatsworth Futures Ltd	-	21	23	467	511	739
	<u>1,108</u>	<u>2,090</u>	<u>97</u>	<u>1,150</u>	<u>4,445</u>	<u>4,319</u>

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Analysis of net assets between funds - Group

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Endowment Funds £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	-	-	240	-	240
Current assets	675	398	-	-	1,073
Creditors falling due within one year	(470)	-	-	-	(470)
Defined benefit pension liability	-	(2,108)	-	-	(2,108)
Total net assets	205	(1,710)	240	-	(1,265)

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Endowment Funds £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	85	(85)	261	-	261
Current assets	734	-	-	-	734
Creditors falling due within one year	(321)	-	-	-	(321)
Defined benefit pension liability	-	(1,765)	-	-	(1,765)
Total net assets	498	(1,850)	261	-	(1,091)

Analysis of net assets between funds - Academy

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	147	147
Current assets	598	271	2	871
Creditors falling due within one year	(466)	-	-	(466)
Defined benefit pension liability	-	(2,108)	-	(2,108)
Total net assets	132	(1,837)	149	(1,556)

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Analysis of net assets between funds - Academy

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	(220)	220	152	152
Current assets	608	-	-	608
Creditors falling due within one year	(299)	-	-	(299)
Defined benefit pension liability	-	(1,765)	-	(1,765)
Total net assets	89	(1,545)	152	(1,304)

17 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer pension costs paid to the TPS in the period amounted to £238,000 (2019: £166,000)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.7% for employers and 5.5% - 12.5% for employees.

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

Total contributions made	2020 £000	2019 £000
Employer's contributions	230	193
Employees' contributions	75	64
Total contributions	305	257
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

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	20.5	20.6
- Females	23.1	23.1
Retiring in 20 years		
- Males	22.0	22.0
- Females	25.0	24.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2020	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	742
0.5% increase in the Pension Increase Rate	11%	619
0.5% increase in the Salary Increase Rate	2%	106

Defined benefit pension scheme net liability

Scheme assets	3,402	3,230
Scheme obligations	(5,510)	(4,995)
Net liability	(2,108)	(1,765)

The academy trust's share of the assets in the scheme

	2020 Fair value £000	2019 Fair value £000
Equities	2,313	2,196
Bonds	544	485
Property	239	258
Other assets	306	291
Total market value of assets	3,402	3,230

The actual return on scheme assets was £(108,000) (2019: £142,000).

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £000	2019 £000
Current service cost	559	366
Past service cost	-	54
Interest income	(64)	(83)
Interest cost	101	106
Total operating charge	596	443
Changes in the present value of defined benefit obligations	2020 £000	2019 £000
At 1 September 2019	4,995	3,571
Current service cost	559	366
Interest cost	101	106
Employee contributions	75	64
Actuarial (loss)/gain	(195)	834
Benefits paid	(25)	-
Past service cost	-	54
At 31 August 2020	5,510	4,995
Changes in the fair value of the academy trust's share of scheme assets	2020 £000	2019 £000
At 1 September 2019	3,230	2,831
Interest income	64	83
Actuarial (loss)/gain	(172)	59
Employer contributions	230	193
Employee contributions	75	64
Benefits paid	(25)	-
At 31 August 2020	3,402	3,230

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(197)	(115)
Adjusted for:		
Net surplus on transfer of academy in the trust	-	(398)
Capital grants from DfE and other capital income	(7)	(33)
Defined benefit pension costs less contributions payable	329	227
Defined benefit pension scheme finance cost	37	23
Depreciation of tangible fixed assets	69	83
Loss on disposal of fixed assets	-	115
(Increase) in debtors	(214)	(107)
Increase in creditors	149	52
Stocks, debtors and creditors transferred on conversion	-	(58)
Net cash provided by/(used in) operating activities	166	(211)

19 Analysis of changes in net funds

	1 September 2019 £000	Cash flows £000	31 August 2020 £000
Cash	516	125	641

20 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	14	14
Amounts due in two and five years	12	26
	26	40

CHATSWORTH MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

The resolution has been passed that Chatsworth Multi Academy Trust was appointed as a member of Chatsworth Futures Ltd pursuant to the Company's Articles of Association with effect from midnight on 1 September 2018. As a result, Chatsworth Futures Limited is a subsidiary of Chatsworth Multi Academy Trust and is included in Chatsworth Multi Academy Trust's consolidated financial statements for the year ended 31 August 2020.

During the year, wages are recharged back to Chatsworth Engage Limited totalling £117,171 (2019: £85,531). Martin Hanbury is the common director of Chatsworth Engage Limited. At the year end an amount of £21,794 (2019: £22,448) was due from Chatsworth Engage Limited to Chatsworth Multi Academy Trust. Services recharges of £6,943 were also received by Chatsworth Futures Limited from Chatsworth Engage Limited where Martin Hanbury is a common director. In entering into the transaction, the academy has complied with the requirements of the Academies Financial Handbook 2019. These transactions are considered to be at cost and are considered to be value for money for the academy trust.

22 Members' liability

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

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £4,291 (2019: £4,291) and disbursed £92 (2019: £4,291) from the fund. £4,199 (2019: £Nil) held as at 31 August 2020 are recorded within other creditors.