Registered number: 11024808

Chancery Multi Academy Trust

Trustees' Report and Financial Statements

For the year ended 31 August 2022

DAINS
ACCOUNTANTS

Chancery Multi Academy Trust

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report on the Financial Statements	19 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25 - 26
Balance Sheet	27 - 28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 63

Reference and Administrative Details

Members

R Palin
R Caulfield
I White
R Jeffery
G Tindall (resigned 23 August 2022)

Trustees

E Martindale
N Ratcliffe (resigned 22 September 2021)[1]
S Gohr, Chief Executive officer, Accounting officer[1,2]
J Whiston (resigned 23 March 2022)[1]
R Caulfield
S Coles, Chair of Trustees (resigned 12 September 2022)[1]
A Hattersley[2]
J Whitfield, Chair of the Audit and Risk committee (resigned 23 March 2022)[1,2]
A Russell
J Longman, Chair of Trustees (from 21 September 2022)[2]
L Churchill, Chair of Standards Committee (from 21 September 2022) (appointed 1 December 2021)
J Fuller, Chair of Finance and Resources Committee (from 21 September 2022) (appointed 18 January 2022)[2]
A Mellor, Chair of the Audit and Risk committee (from 21 September 2022) (appointed 23 March 2022)[1]

[1] Audit and Risk Committee member
[2] Finance and Resource Committee member

Company registered number

11024808

Company name

Chancery Multi Academy Trust

Principal and registered office

C/O Excalibur Primary School, Ivy Lane, Stoke-on-Trent, Staffordshire, ST7 2RQ

Senior management team

S Gohr, Chief Executive officer
Y Hilditch, Chief finance officer
C Brown, Head of Berkeley Academy
J Jones, Head of Excalibur Primary School
G Reynolds, Head of Pikemere School
A Perrin, Head of Willaston Primary School
E Clark, Head of Elworth Hall Primary School
J Whiston, Governance and Compliance Lead
J Richardson, School Business Manager Lead

Reference and Administrative Details (continued)
For the year ended 31 August 2022

Independent auditors

Dains Audit Limited, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

Bankers

Lloyds Bank Plc, 13 Victoria Street, CW1 2JQ

Trustees' Report
For the year ended 31 August 2022

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates 5 primary academies in Cheshire East. Its academies have a combined capacity of 1,260 and had a roll of 1,252 in the school census October 2021. Willaston Primary Academy and Elworth Hall Primary School joined the trust during the year.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Chancery Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Chancery Multi Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The trustees benefit from indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be found guilty in relation to the Academy Trust. The academies within the Academy Trust have opted in to the academies risk protection arrangement (RPA) in the year which provide the trustees to a maximum aggregated value of £10 million during any one year of membership.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

The recruitment and succession planning of trustees must match the Trust's vision. The skills profile of the trustees must reflect the governance needs of the Trust. The Board carries out a skills audit of trustees annually to inform the recruitment process, using the categories below to inform the decision-making.

The following skills categories set out the broad range of skills, knowledge or prior experience that is expected to be held across the board:

1. Education performance and curriculum
2. Finance, risk and audit
3. Human Resources
4. Legal
5. Business

The trustees consider prospective trustees based on their skills and experience. Prospective trustee are interviewed by the governance professional and a trustee. The board of members authorise the appointment. The trust will undertake safer recruitment checks before the appointment is confirmed.

e. Policies adopted for the induction and training of Trustees

The training provided to new trustees will depend on their experience. Upon their appointment, all new trustees are given an induction meeting to provide training on charity, educational, legal and financial matters. This meeting will set out the vision and ethos of the trust together with the strategy and objectives. All new trustees will be given a tour of at least one of the academy schools within the Trust with a chance to meet staff and students. All new trustees will be provided with a copy of current trust policies, procedures, minutes, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Trust. On going skills reviews and training is encouraged for all trustees to ensure that they continue to make an effective contribution and are keeping up to date with academy and charity legislation.

Structure, governance and management (continued)

f. Organisational structure

The structure of the organisation has different levels; the Members board, the Trust board, the trust senior leadership team and the Academy schools' local governing boards and leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Chief Executive Officer is the accounting officer.

The Trust is the Admissions Authority and employer for all the Academies within the Trust.

The Trust board are responsible for exercising oversight of the governance and management of the trust. In exercising their responsibilities trustees consider the advice of the Chief Executive Officer, the Headteacher Committee, the Local Governing Boards and the Central Services team, as appropriate. The Trust has an Audit and Risk Committee, Finance and Resources Committee and a Standards Committee to support its role which meet once a term.

The trustees are responsible for setting general policies, adopting an annual plan and budget, monitoring the trust by the use of results and budgets. They make major decisions about the direction of the trust, capital investments and senior staff appointments.

The leadership teams are responsible for the day to day operation of the individual academies.

The scheme of delegation gives full details of all delegated responsibilities.

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

Key personnel are considered to be members of the Trust board and the Trust leadership team. Trustees who are not employees do not receive remuneration for their role as a member or director.

The pay and remuneration of the Chief Executive Officer, the Chief Finance Officer and Executive Headteachers will be set by the Directors Board. This will take account of the agreed job description, performance management and benchmarking exercise based on similar sized trusts in the local area. The salary ranges of staff within the trust academies are set by the local governing boards.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	4,993,780	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

i. Related parties and other connected charities and organisations

There are no connected organisations or related party relationships other than those noted in note 30 to the financial statements.

Objectives and activities

a. Objects and aims

Our objects are specifically restricted to the following as set out in the articles of association:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academy") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs (" the Special Academies").

Objectives and activities (continued)

b. Objectives, strategies and activities

Our trust was created with one sole aim. For member schools to deliver, a thriving family of schools who work together to celebrate difference and support each other in pursuit of excellence.

Our ethos is rooted in the celebration and promotion of each member school's own diverse and dynamic character. At Chancery Multi Academy Trust we recognise the unique qualities of different schools; promoting their autonomy to enable each school to develop their own curriculum and practices to reflect the needs of their learners. We will share best practice by ensuring that all member schools across the Trust benefit from the successes of others and by investing in 'expert teaching' and an 'irresistible curriculum.'

At Chancery Multi Academy Trust we believe that strong, innovative leadership is core to any school's success and we will ensure that we promote networking and shared working and that we are relentless in our 'no excuses' approach.

To achieve our aim, we will offer a rich range of professional development opportunities for all staff. Through highly effective coaching, high quality continuing professional development and a culture of reflective practice and support, we will invest in broadening the experiences of emerging leaders. We will ensure that all staff benefit from a rewarding and successful career within, between and beyond our schools. We will combine resources where possible to build efficient organisations and share the strengths of each member school in order to bring about school improvement and therefore build better futures for all our children.

Mutual trust and respectful relationships amongst our schools will ensure that all prosper and excel.

c. Public benefit

In setting the objectives, the trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. We have referred to this guidance when setting our aims, strategy and in planning future activities. All activities of the Trust are for the public benefit.

The main public benefit delivered by the Trust is the provision of high quality education to its pupils, which will be evidenced by feedback from external assessment.

Strategic report

Achievements and performance

a. Key performance indicators

The key performance indicators are:

- The Trust will continue to operate with sufficient cash balances so as to maintain the infrastructure of the academies within the Trust and to ensure the continuity of the education of pupils;
- The Trust will keep within the agreed budget unless a variation is agreed by the trust board.

Non-financial performance indicators are; pupil numbers and maintaining facilities and education to a high standard. The trust met its targets in these areas despite having to close to large numbers of pupils during the lockdown in the Spring term.

Strategic report (continued)

Achievements and performance (continued)

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

Financial review

The main streams of funding during the year were grants received from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA).

All grants received from the ESFA and LA during the period and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the year ended 31 August 2022, the Trust has restricted general funds income of £4,578,548 (excluding LGPS pension liability and GAG fund transferred from the existing Academy) and associated expenditure of £6,760,872 (excluding LGPS pension costs).

The Trust has unrestricted income that relates to trading activities that totals £563,623 (excluding unrestricted income transferred from the existing Academy) for the period and related expenditure of £299,977.

At 31 August 2022 the net book value of fixed assets was £11,563,592 and the movement in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The Local Government Pension Scheme (LGPS) liability at 31 August 2022 totalled £964,000.

At 31 August 2022 the funds of the Trust were as follows: £392,124 included in general restricted funds, £13,189,609 included in restricted fixed assets funds, deficit balance of £964,000 included in restricted pension reserve and £444,391 included in unrestricted funds.

a. Reserves policy

The trustees review the level of reserves annually. The review encompasses the nature of current and forecast income and expenditure streams and the level of reserves. The trustees will also take account of the future plans of its academies, the uncertainty over future income streams and other key risks identified during the review.

The trustees have agreed that the appropriate level of 5 to 10% of the school's GAG Income. This level will provide sufficient liquid funds to cover committed expenditure, including employee costs, for one month.

The total value of the funds in the Trust at the 31 August 2022 amounted to £13,062,124 (2021: £7,310,306).

At 31 August 2022 the restricted fixed asset fund amounting to £13,189,609 (2021: £8,808,081) which included the net book value of fixed assets of £11,563,592 (2021: £8,469,264).

The Local Government Pension Scheme (LGPS) reserve at 31 August 2022 totalled a deficit of £964,000 (2021: £2,239,000).

General restricted funds amounted to £392,124 at 31 August 2022 (2021: £469,448) which related to unspent ESFA grants and government grants.

At 31 August 2022 unrestricted funds carried forward amounted to £444,391 (2021: £271,777).

b. Investment policy

The Trust adopts a low risk policy with regard to investments.

Currently all cash balances are held with one bank for which the Chief Finance Officer and School Business Managers in the academies maintain up to date reconciliations. The Board of Directors monitor the Trust account balances on a termly basis. The Trust does not hold any investments at the current time.

c. Principal risks and uncertainties

The Companies Act 2006 Section 417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cashflow and liquidity risks. Given the Trusts' exposure to financial instruments is limited the exposure principally relates to bank balances, cash, trade creditors and their limited trade debtors. The Trust's system of internal control ensures risk is minimal in these areas.

The trustees have identified the principal risk to the finances of the Trust is a reduction in pupil numbers. The majority of the Trusts income comes from the ESFA and Cheshire East Council, which is principally calculated by reference to the numbers of students enrolled at any particular time. The academies within the trust are very popular and oversubscribed. As such the trustees currently assess the risk of a substantial reduction in funding as a result of pupil numbers to be low.

The trustees have identified the following key uncertainties facing the Trust:

- The extent and impact on individual school budgets relating to staff expenditure through increases in teachers and support staff pay awards, pension costs and National Insurance costs. The known increases were built into the three-year budget and latest forecasts immediately by the Chief Finance Officer to ensure reports to trustees and governors are accurate for decision making.
- The extent and impact of the Trust not having sufficient staff capacity as it grows which will lead to an ineffectual organisational structure. The trustees have agreed a growth plan and commissioned an independent growth audit which has provided the trustees with recommendations. The Trust will review the Trusts' organisational structure on a regular basis and has financial models in place to support these structural changes. The trust was successful in applying for Trust Capacity Fund funding in 2021/22 which has funded the development of trust capacity.
- The extent and impact of an uncontrollable event impacting on the trust which will lead to the trust not delivering its core activities. The school's have individual critical incident policies which are reviewed by the local governing boards on an annual basis. The trust and its schools are covered by the ESFA's RPA scheme to cover losses and this cover is reviewed by the trust on an annual basis.
- The extent and impact of a cyber breach which would lead to financial and data loss within the trust. The RPA scheme will now cover cyber related cover from 2022/23. The Trust have ensured that school staff and governors have complete annual cyber security training, schools have individual cyber response plans, back up all school data is cloud-based and schools have registered with Police Cyberalarm.

The trust has a risk management policy and risk listing that the trustees regularly review. Through the risk management process the trustees are satisfied that the major risks have been identified and will be adequately mitigated against where appropriate. It is recognised that systems and procedures can only provide reasonable not absolute assurance that major risks have been adequately managed.

The trustees undertake a budget planning, setting and review process, over a four-year period, on a conservative basis, so that reductions in funding and increased costs can be anticipated and managed.

The trust has procedures in place to ensure compliance with health and safety of staff, visitors and its pupils.

Fundraising

The Trust ensures that all fundraising activities are done so in a transparent and up front manner and that 'proof of donations' are displayed for staff, visitors and pupils to see following fundraising activities. The use of funds obtained through fundraising activities is tracked by the Trust.

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust's Action plan for 2022/23 has three priorities around quality of education and business function. These are:

- Quality of Education:

1. To improve the quality of education in all schools with a particular focus on:
- Schools requiring improvement
- Maths standards in all schools
- SEND, with all teachers becoming teachers of SEND

2. To build capacity in school improvement through delegated leadership across Chancery with a focus on:
- Re-introducing a coaching culture across all schools
- Engagement with leadership development programmes
- Middle leadership development through curriculum delivery

- Chancery Business Function:

3. To ensure Chancery is fully prepared for the next phase of growth by:
- evaluating current reporting systems
- reviewing current processes to ensure they are scalable and provide greater efficiencies
- review Central Team roles and responsibilities and plan for next phase of growth
- succession planning for key roles
- create an operating model which can be shared with stakeholders.

Funds held as custodian on behalf of others

The Trust and its trustees did not act as a custodian trustee during the current period.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2022 and signed on its behalf by:

J Longman
Chair of Trustees

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Chancery 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.

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Caulfield	3	4
L Churchill, Chair of Standards Committee (from 21 September 2022)	1	2
S Coles, Chair of Trustees	4	4
J Fuller, Chair of Finance and Resources Committee (from 21 September 2022)	0	2
S Gohr, Chief Executive officer, Accounting officer	4	4
A Hattersley	2	4
J Longman, Chair of Trustees (from 21 September 2022)	3	4
E Martindale	3	4
A Mellor, Chair of the Audit and Risk committee (from 21 September 2022)	1	1
N Ratcliffe	0	0
A Russell	4	4
J Whiston	3	3
J Whitfield, Chair of the Audit and Risk committee	0	3

The Trustees have evaluated the composition of the trust board to ensure they are represented with members who are appropriately qualified to fulfil their role and contribute to the development of the Trust. The trustees have been provided with initial induction training as trustees and a comprehensive future training programme through the National Governance Association and Cheshire East Council is in place.

The board has reviewed the Schedule of Requirements in the Financial Academies Handbook 2022. These requirements have been included in the Trust's Financial Procedures and other policies to ensure that the Trust complies with the requirements.

Governance (continued)

The Trust has set up four sub-committees, with agreed terms of reference, reporting to the Board of Trustees:

- Audit and Risk committee
- Standards committee
- Finance committee

The Finance committee is made up of at least three trustees. The committees will meet at least once a term and presents a report of their key findings and actions to the Board of Trustees.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the board to fulfil its responsibilities as set out in this Terms of Reference in line with the Academies Financial Handbook, the Trust's Financial Regulations and in compliance with the Funding Agreement with the Secretary of State of Education.
- Advise the board on financial priorities and proposals, in consultation with the Accounting Officer & CFO, with the stated and agreed aims and objectives of the trust.
- In consultation with the Accounting Officer, CFO, Local Governing Boards and Headteachers to advise the board on the first formal budget plan of the financial year on broad budget headings. This should include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the trust's development plan.
- Advise the Board on the 3-year strategic financial plan.
- To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the academies and the trust, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Board.
- To consider budget position statements at both academy and trust level including virement decisions at least termly and to report significant anomalies from the anticipated position to the Board of Directors.
- To receive reports from the audit committee and action where necessary.
- To review the financial elements of the Risk Management Policy and Risk Listing including Health and Safety, buildings and insurance to ensure that the financial risk is included in the academy or trust accounts where necessary and make recommendations to the Board of Directors.
- To review any strategic matters with financial implications concerning sponsorship of Academies and make recommendations to the Board of Directors.
- To be responsible, in conjunction with the Board of Directors, for determining dismissal payments/early retirement
- To receive potential bids from academies and the trust for external funding and recommend to the Board for approval.
- To review benchmarking data on an annual basis to secure best value for money.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To review the suite of finance related policies to include the Finance Procedures & Scheme of Delegation.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Fuller	2	2
S Gohr, Accounting Officer	3	3
A Hattersley, Chair	3	3
J Longman	3	3
J Whitfield	1	2

The Audit and risk committee is made up of at least three trustees. The committees will meet at least once a term and presents a report of their key findings and actions to the Board of Trustees.

Governance (continued)

The Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Advise the Board on matters relating to the Trust's audit arrangements and systems of internal control.
- Advise the Board and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- Advise the Board on the appointment, re appointment, dismissal and remuneration of the external auditor and the internal control reviewers.
- Advise the Board on an appropriate programme of internal audit work to be delivered by independent assurance providers and progress of this work.
- Receive reports from the external auditor, internal control checks and other bodies and consider any issues raised, the associated management response and action plans.
- Establish and monitor KPIs with regard to the performance of the external auditor, internal control reviewers or other assurance provider.
- Review the Trust's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- Ensure appropriate co-operation and co-ordination of the work of the external auditor and internal control reviewers.
- Meet with the external auditor and internal control reviewers or other assurance provider, without management present, at least annually.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Coles	2	3
L Churchill, Chair (from 7 March 2022)	2	2
J Fuller	2	2
S Gohr, Accounting Officer	2	3
A Russell	3	3
J Whitfield, Chair (to 7 March 2022)	1	2

Review of value for money

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

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

- Setting up an effective budgeting system to create and approve budgets within the trust academies and to provide a consolidated budget reports for the Trust Board. The budget is monitored in the academies and by the Trust Board in their monthly management account reports.
- Setting up financial procedures and policies that assess need and provide best value in terms of suitability, efficiency, time and cost for the purchase of all goods and services in the trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chancery Multi Academy Trust for the year to 31 August 2022 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2021 to 31 August 2022 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
- identification and management of risks

The Board of Trustees has decided to employ Hardings Chartered Accountants as internal auditor.

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

- Payroll checks on the academy schools' payroll systems and personnel files
- Purchasing checks on the trust's purchasing procedures in its academy schools and the Trust
- Income checks on the trust's income procedures in its academy schools and the Trust
- Accounting system checks on academy schools and the trust's control accounts and bank reconciliations
- Non-financial system checks on academy schools and the trust

On a termly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The board of trustees confirm that Hardings Chartered Accounants has delivered their schedule of work as planned during the financial year ending 31 August 2022 and detailed reports including recommendations.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee 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 30 November 2022 and signed on their behalf by:

J Longman
Chair of Trustees

S L Gohr
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of Chancery 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 Academy Trust Handbook 2021.

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

S. L. Gohr

S L Gohr
Accounting Officer
30 November 2022

Statement of Trustees' responsibilities
For the year ended 31 August 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

J Longman
Chair of Trustees
Date: 30 November 2022

Independent Auditors' Report on the financial statements to the Members of Chancery Multi Academy Trust

Opinion

We have audited the financial statements of Chancery Multi Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements 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 financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditors' Report on the financial statements to the Members of Chancery Multi Academy Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management, and from our commercial knowledge and experience of the Academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the academy trust's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

30 November 2022

Independent Reporting Accountant's Assurance Report on Regularity to Chancery Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chancery Multi Academy Trust during the year 1 September 2021 to 31 August 2022 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 Chancery 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 Chancery 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 Chancery Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Chancery Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 March 2018 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

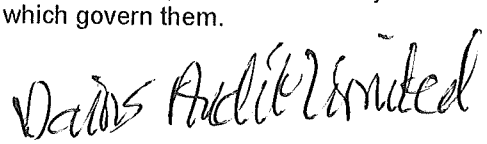
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Independent Reporting Accountant's Assurance Report on Regularity to Chancery Multi Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains Audit Limited

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30 November 2022

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants:	3					
Transfer on joining the Trust		64,563	(1,484,892)	2,868,974	1,448,645	-
Other donations and capital grants		11,319	-	1,675,863	1,687,182	631,097
Other trading activities	5	487,617	-	-	487,617	288,856
Investments	6	124	-	-	124	111
Charitable activities	4	-	6,063,440	-	6,063,440	4,247,290
Total income		563,623	4,578,548	4,544,837	9,687,008	5,167,354
Expenditure on:						
Raising funds	7	299,977	-	-	299,977	352,628
Charitable activities	8	-	6,760,871	254,342	7,015,213	4,319,818
Total expenditure		299,977	6,760,871	254,342	7,315,190	4,672,446
Net income/ (expenditure)		263,646	(2,182,323)	4,290,495	2,371,818	494,908
Transfers between funds	18	(91,032)	-	91,032	-	-
Net movement in funds before other recognised gains/(losses)		172,614	(2,182,323)	4,381,527	2,371,818	494,908
Other recognised gains/(losses):						
Actuarial gains/losses on defined benefit pension schemes	25	-	3,380,000	-	3,380,000	(511,000)
Net movement in funds		172,614	1,197,677	4,381,527	5,751,818	(16,092)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	**271,777**	**(1,769,552)**	**8,808,081**	**7,310,306**	7,326,398
Net movement in funds	**172,614**	**1,197,677**	**4,381,527**	**5,751,818**	(16,092)
Total funds carried forward	**444,391**	**(571,875)**	**13,189,608**	**13,062,124**	7,310,306

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 63 form part of these financial statements.

Balance Sheet
As at 31 August 2022
Registered number: 11024808

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	14		**11,563,592**		8,469,264
			11,563,592		8,469,264
Current assets					
Debtors	15	**1,993,667**		546,658	
Cash at bank and in hand		**1,209,033**		1,099,816	
		3,202,700		1,646,474	
Creditors: amounts falling due within one year	16	**(736,298)**		(561,483)	
Net current assets			**2,466,402**		1,084,991
Total assets less current liabilities			**14,029,994**		9,554,255
Creditors: amounts falling due after more than one year	17		**(3,870)**		(4,949)
Net assets excluding pension liability			**14,026,124**		9,549,306
Defined benefit pension scheme liability	25		**(964,000)**		(2,239,000)
Total net assets			**13,062,124**		7,310,306
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	**13,189,608**		8,808,081	
Restricted income funds	18	**392,125**		469,448	
Restricted funds excluding pension liability	18	**13,581,733**		9,277,529	
Pension reserve	18	**(964,000)**		(2,239,000)	
Total restricted funds	18		**12,617,733**		7,038,529
Unrestricted income funds	18		**444,391**		271,777
Total funds			**13,062,124**		7,310,306

Balance Sheet (continued)
As at 31 August 2022

The financial statements on pages 25 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

J Longman
Chair of Trustees
Date:
30 November 2022

The notes on pages 30 to 63 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	**(43,383)**	469,638
Cash flows from investing activities	22	**90,320**	(290,895)
Cash flows from financing activities	21	**(1,237)**	(1,081)
Change in cash and cash equivalents in the year		**45,700**	177,662
Cash and cash equivalents at the beginning of the year		**1,099,816**	922,154
Cash and cash equivalents at the end of the year	23, 24	**1,145,516**	1,099,816

The notes on pages 30 to 63 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chancery Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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 financial statements.

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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Transfer of existing academies into the academy trust**
  Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **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.

  All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

1. Accounting policies (continued)

1.7 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Provisions

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

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

1.9 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

1. Accounting policies (continued)

1.9 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 0.8%, 2% and 3.3% straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 33% straight line
Property improvements	- 6.6% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 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.

1.13 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 as detailed in notes 16 and 17. 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. Accounting policies (continued)

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.15 Pensions

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.

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

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

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

1.16 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Local Government Pension Scheme (LGPS)

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Leasehold land and buildings:

Under 125 year lease:
The long term leasehold land and buildings within the accounts relates to the Berkeley academy, Elworth Primary School and Willaston Primary School premises which were transferred to the trust on a 125 year lease with Cheshire East Borough Council. The leasehold land and buildings were valued using the carrying value on the date of trasnfer. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market rate.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Transfer of an existing academy into the Trust	64,563	(1,173,892)	1,408,974	**299,645**	-
Capital Grants	-	-	1,675,863	**1,675,863**	614,471
Donations	11,319	-	-	**11,319**	16,626
Transfer of a converted academy into the Trust	-	(311,000)	1,460,000	**1,149,000**	-
	75,882	(1,484,892)	4,544,837	**3,135,827**	631,097
Total 2021	16,626	-	614,471	631,097	

4. Funding for Academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	4,694,448	**4,694,448**	3,209,630
Other DfE/ESFA grants			
Universal Infant Free School Meals	162,842	**162,842**	125,600
Teachers' Pension Grant	-	**-**	125,121
Pupil Premium	153,728	**153,728**	98,209
PE Grant	80,406	**80,406**	70,213
Other DfE/ESFA Grants	52,416	**52,416**	73,744
TCAF Grant	90,825	**90,825**	-
Start-up Grant	25,000	**25,000**	-
	-	**5,259,665**	3,702,517
Other Government grants			
Local Authority Early Years Income	359,770	**359,770**	280,556
SEN Funding	270,032	**270,032**	118,105
Local Authority Pupil Premium	8,355	**8,355**	7,572
Other	-	**-**	11,523
	638,157	**638,157**	417,756
Other income from the academy trust's educational operations	151,503	**151,503**	60,057
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	**-**	66,960
Recovery Premium	14,115	**14,115**	-
	14,115	**14,115**	66,960
	6,063,440	**6,063,440**	4,247,290
	6,063,440	**6,063,440**	4,247,290
Total 2021	4,247,290	4,247,290	

The academy trust received £nil (2021 - £67k) of funding for catch-up premium. Costs incurred in respect of this funding totalled £nil (2021 - 53k).

The academy trust received £14k of funding for Covid recovery premium. Costs incurred in respect of this funding totalled £14k.

5. Other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings Income	5,688	**5,688**	3,332
Early Years Income	96,853	**96,853**	72,492
Supply teacher insurance income	8,800	**8,800**	15,846
Clubs and wrap around care	346,340	**346,340**	180,929
Other Self Generated Income	29,936	**29,936**	16,257
	487,617	**487,617**	288,856
Total 2021	288,856	288,856	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment Income	124	**124**	111
Total 2021	111	111	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on fundraising trading:					
Direct costs	63,455	-	18,428	**81,883**	-
Expenditure on trading activities:					
Support Costs	188,589	-	29,505	**218,094**	352,628
Academy's educational operations:					
Direct Costs	4,682,339	254,341	414,675	**5,351,355**	3,283,589
Support Costs	625,397	186,654	851,807	**1,663,858**	1,036,229
	5,559,780	440,995	1,314,415	**7,315,190**	4,672,446
Total 2021	3,665,889	331,520	675,037	4,672,446	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	5,351,355	1,663,858	**7,015,213**	4,319,818
Total 2021	3,283,589	1,036,229	4,319,818	

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	**4,682,339**	2,926,503
Depreciation	**254,342**	156,755
Educational supplies	**138,462**	66,839
Staff Development	**42,675**	16,814
Technology costs	**6,384**	8,981
Education consultancy	**147,662**	99,371
Other costs	**75,707**	7,009
Recruitment and other staff expenses	**3,784**	1,317
	5,351,355	3,283,589

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
LGPS net finance costs	**63,000**	27,000
Staff costs	**625,397**	420,379
Catering	**290,767**	142,097
Technology costs	**53,414**	22,789
Other support costs	**104,960**	88,433
Maintenance of premises	**102,232**	53,158
Cleaning	**68,684**	41,513
Rates	**8,265**	12,732
Security	**3,571**	2,996
Energy	**65,441**	45,172
Legal and professional costs	**193,705**	124,122
Other premises costs	**84,422**	55,838
	1,663,858	1,036,229

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets: - owned by the charity	**254,342**	156,754
Auditor's remuneration - audit	**16,300**	12,750
Auditor's remuneration - other services	**950**	900
Operating lease rentals	**9,839**	7,069

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	**3,670,691**	2,567,958
Social security costs	**320,287**	212,314
Pension costs	**1,398,354**	830,664
	5,389,332	3,610,936
Agency staff costs	**170,448**	54,953
	5,559,780	3,665,889

	2022 £	2021 £
Redundancy payments	**1,720**	-
	1,720	-

10. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	57	40
Administration and support	128	87
Management	9	1
	194	128

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £599,210 (2021 - £442,999).

11. Central services

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

- Finance package
- Budgeting tool
- Auditors
- HR and employment law
- Payroll
- Core coaching package
- MAT advisory service
- Leadership school to school improvement network
- 40% of CFO salary
- 40% of CEO salary
- 10% of Training & Development lead salary

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

11. Central services (continued)

The academy trust charges for this service on a flat 4.8% of GAG income.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Excalibur Primary School	**39,946**	37,750
Pikemere School	**39,640**	38,124
The Berkeley Primary School	**72,830**	71,556
Willaston Primary School	**33,823**	-
Elworth Hall Primary School	**15,621**	-
Total	**201,860**	147,430

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. 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. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
S Gohr, Chief Executive officer, Accounting officer	Remuneration	**75,000 - 80,000**	70,000 - 75,000
	Pension contributions paid	**15,000 - 20,000**	15,000 - 20,000
J Whiston (resigned 23 March 2022)	Remuneration	**20,000 - 25,000**	25,000 - 30,000
	Pension contributions paid	**5,000 - 10,000**	5,000 - 10,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance 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 membership.

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Property Improvements £	Total £
Cost or valuation							
At 1 September 2021	4,732,415	3,710,065	18,790	19,140	86,683	299,780	8,866,873
Additions	-	51,909	382,804	26,489	18,494	-	479,696
Transfer between classes	-	323,348	(323,348)	-	-	-	-
Transfer from converted academy into the Trust	-	1,460,000	-	-	-	-	1,460,000
Transfer from existing academy into the Trust	-	1,396,633	-	-	12,341	-	1,408,974
At 31 August 2022	4,732,415	6,941,955	78,246	45,629	117,518	299,780	12,215,543
Depreciation							
At 1 September 2021	259,719	53,635	-	12,678	61,531	10,046	397,609
Charge for the year	76,281	121,592	-	7,498	28,985	19,986	254,342
At 31 August 2022	336,000	175,227	-	20,176	90,516	30,032	651,951

14. Tangible fixed assets (continued)

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Property Improvements £	Total £
Net book value							
At 31 August 2022	4,396,415	6,766,728	78,246	25,453	27,002	269,748	11,563,592
At 31 August 2021	4,472,696	3,656,430	18,790	6,462	25,152	289,734	8,469,264

Included in freehold property is a value of £944,000 (2021 - £944,000) for freehold land which is not depreciated.

In the prior year, included in long-term leasehold property was a value of £322,000 for leasehold land which was not depreciated. In the current year, all leasehold property is depreciated in line with the terms of the lease.

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	**121,052**	46,156
Other debtors	**179**	524
Prepayments and accrued income	**1,773,226**	430,430
VAT recoverable	**99,210**	69,548
	1,993,667	546,658

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	**1,237**	1,395
Trade creditors	**87,592**	220,935
Other taxation and social security	**85,685**	49,437
Other creditors	**109,563**	65,384
Accruals and deferred income	**452,221**	224,332
	736,298	561,483

	2022 £	2021 £
Deferred income at 1 September	**142,265**	150,351
Resources deferred during the year	**203,696**	142,265
Amounts released from previous periods	**(142,265)**	(150,351)
	203,696	142,265

At the year-end, deferred income related to grant income for the 2022/23 year (2021 - school club, grant income and trip income)

Included within other loans is a Salix loan totalling £1,237 (2021 - £1,395) which is an interest free loan payable in fixed instalments over 8 years.

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

	2022 £	2021 £
Other Loans	**3,870**	4,949

Included within other loans is a Salix loan totalling £3,870 (2021 - £4,949) which is an interest free loan payable in fixed instalments over 8 years.

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	271,777	563,623	(299,977)	(91,032)	-	444,391
Restricted funds						
General Annual Grant	360,573	4,694,448	(4,727,030)	-	-	327,991
Pupil Premium	16,440	153,728	(170,168)	-	-	-
Other DfE/ESFA grants	1,132	168,241	(169,373)	-	-	-
Universal free school meals	3,151	162,842	(165,993)	-	-	-
PE grant	38,164	80,406	(118,570)	-	-	-
SEN Funding	-	270,032	(270,032)	-	-	-
Early Years Local Authority income	-	359,770	(295,636)	-	-	64,134
Other government grants	-	8,355	(8,355)	-	-	-
Other restricted income	36,137	142,611	(178,748)	-	-	-
Covid - DfE/ESFA	13,851	14,115	(27,966)	-	-	-
Pension reserve	(2,239,000)	(1,476,000)	(629,000)	-	3,380,000	(964,000)
	(1,769,552)	4,578,548	(6,760,871)	-	3,380,000	(571,875)
Restricted fixed asset funds						
Donated on conversion/transfer	4,466,922	2,868,974	(85,134)	-	-	7,250,762
ESFA capital grants	649,667	1,675,863	(42,266)	-	-	2,283,264

18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Capital expenditure from GAG	10,844	-	(2,842)	-	-	8,002
Legacy school donated assets	3,423,824	-	(96,725)	-	-	3,327,099
Capital expenditure from donations	5,220	-	(2,313)	-	-	2,907
Capital expenditure from retained profit	251,604	-	(25,062)	91,032	-	317,574
	8,808,081	4,544,837	(254,342)	91,032	-	13,189,608
Total Restricted funds	7,038,529	9,123,385	(7,015,213)	91,032	3,380,000	12,617,733
Total funds	7,310,306	9,687,008	(7,315,190)	-	3,380,000	13,062,124

18. Statement of funds (continued)

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

Unrestricted Funds

This fund represents those resources which may be used towards meeting any of the charitable pbjectives of the trust at the discretion of the trustees.

Restricted Funds

The restricted general funds represent grants received for the academy trust's operational activities and development, restricted trip income and other restricted income.

Pensions Reserve

The pension reserve represents the academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

The restricted fixed asset fund represents grant funding received from the ESFA to carry out works of a capital nature and also the donation of the freehold land and buildings from the local authority.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
General Funds	404,518	305,593	(186,404)	(251,930)	-	271,777
Restricted funds						
General Annual Grant	267,424	3,209,630	(3,116,481)	-	-	360,573
Pupil Premium	4,021	98,209	(85,790)	-	-	16,440
Other DfE/ESFA grants	-	73,744	(72,612)	-	-	1,132
Universal free school meals	-	125,600	(122,449)	-	-	3,151
Teachers' pension grant	-	125,121	(125,121)	-	-	-
PE grant	-	70,213	(32,049)	-	-	38,164
Other government grants	-	417,756	(417,756)	-	-	-
Other restricted income	-	60,057	(23,920)	-	-	36,137
Covid DfE/ESFA	-	66,960	(53,109)	-	-	13,851
Pension reserve	(1,448,000)	-	(280,000)	-	(511,000)	(2,239,000)
	(1,176,555)	4,247,290	(4,329,287)	-	(511,000)	(1,769,552)
Restricted fixed asset funds						
Donated on conversion	4,543,203	-	(76,281)	-	-	4,466,922
ESFA capital grants	58,355	614,471	(23,485)	326	-	649,667
Capital expenditure from GAG	17,269	-	(6,425)	-	-	10,844

18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Legacy school donated assets	3,474,388	-	(50,564)	-	-	3,423,824
Capital expenditure from donations	5,220	-	-	-	-	5,220
Capital expenditure from retained profit	-	-	-	251,604	-	251,604
	8,098,435	614,471	(156,755)	251,930	-	8,808,081
Total Restricted funds	6,921,880	4,861,761	(4,486,042)	251,930	(511,000)	7,038,529
Total funds	7,326,398	5,167,354	(4,672,446)	-	(511,000)	7,310,306

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Chancery Trust	**(8,333)**	(7,727)
Excalibur Primary Academy	**112,568**	100,773
Pikemere Academy	**121,350**	167,678
Berkeley Academy	**556,852**	480,501
Elworth Primary School	**8,855**	-
Willaston Primary School	**45,224**	-
Total before fixed asset funds and pension reserve	**836,516**	741,225
Restricted fixed asset fund	**13,189,608**	8,808,081
Pension reserve	**(964,000)**	(2,239,000)
Total	**13,062,124**	7,310,306

18. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Chancery Trust	(8,333)

The trust has a deficit fund carried forward of £8,333 on the central fund which is due to delayed growth in 2021/22

The academy trust is taking the following action to return the academy to surplus:

The trust has grown in the year with two one form entry primary schools joining on 1 November 2021 and 1 April 2022 which will bring in extra top slice income to the trust over future years. The trust has also raised the top slice percentage from 4.8% in 2021/22 to 5.5% in 2022/23. The trust is budgeting that the central fund will have surplus reserves by 31 August 2023.

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Chancery Trust	150,452	62,008	67	130,632	**343,159**	158,609
Excalibur Primary Academy	687,525	149,514	29,960	243,890	**1,110,889**	1,050,779
Pikemere Academy	859,914	216,912	23,527	258,232	**1,358,585**	1,154,503
Berkeley Academy	1,414,864	228,624	78,288	387,998	**2,109,774**	1,871,800
Elworth Primary School	339,997	50,062	6,099	70,355	**466,513**	-
Willaston Primary School	685,238	148,670	9,117	199,903	**1,042,928**	-
Academy trust	4,137,990	855,790	147,058	1,291,010	**6,431,848**	4,235,691

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	11,563,592	**11,563,592**
Current assets	444,391	1,132,293	1,626,016	**3,202,700**
Creditors due within one year	-	(736,298)	-	**(736,298)**
Creditors due in more than one year	-	(3,870)	-	**(3,870)**
Provisions for liabilities and charges	-	(964,000)	-	**(964,000)**
Total	444,391	(571,875)	13,189,608	**13,062,124**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	8,469,264	8,469,264
Current assets	271,777	1,035,880	338,817	1,646,474
Creditors due within one year	-	(561,483)	-	(561,483)
Creditors due in more than one year	-	(4,949)	-	(4,949)
Provisions for liabilities and charges	-	(2,239,000)	-	(2,239,000)
Total	271,777	(1,769,552)	8,808,081	7,310,306

20. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	**2,371,818**	**494,908**
Adjustments for:		
Depreciation	**254,341**	156,754
Capital grants from DfE and other capital income	**(1,675,863)**	(614,471)
Dividends, rents and interest from investments	**(124)**	(111)
Defined benefit pension scheme obligation inherited	**1,476,000**	-
Defined benefit pension scheme cost less contributions payable	**566,000**	253,000
Defined benefit pension scheme finance cost	**63,000**	27,000
Increase in debtors	**(216,695)**	(50,749)
Increase in creditors	**111,456**	203,307
Net surplus on assets and liabilities from transfer of an existing academy	**(2,868,974)**	-
Cash and cash equivalents from transfer of an existing academy	**(124,342)**	-
Net cash (used in)/provided by operating activities	**(43,383)**	469,638

21. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	**(1,237)**	(1,081)
Net cash used in financing activities	**(1,237)**	(1,081)

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	**124**	111
Purchase of tangible fixed assets	**(479,696)**	(570,726)
Capital grants from DfE Group	**445,550**	279,720
Cash received on conversion from transfer of an existing academy	**124,342**	-
Net cash provided by/(used in) investing activities	**90,320**	(290,895)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,145,516	1,099,816
Total cash and cash equivalents	1,145,516	1,099,816

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Non cash movements £	At 31 August 2022 £
Cash at bank and in hand	1,099,816	109,217	-	1,209,033
Debt due within 1 year	(1,395)	1,237	(1,079)	(1,237)
Debt due after 1 year	(4,949)	-	1,079	(3,870)
	1,093,472	110,454	-	1,203,926

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £109,306 were payable to the schemes at 31 August 2022 (2021 - £35,384) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £473,000 (2021 - £223,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £451,000 (2021 - £282,000), of which employer's contributions totalled £359,000 (2021 - £223,000) and employees' contributions totalled £92,000 (2021 - £59,000). The agreed contribution rates for future years are 28 per cent for employers and 5.5- 12.5% per cent for employees.

As described in note 2 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

	2022 %	2021 %
Discount rate for scheme liabilities	**4.25**	1.65
Rate of increase in salaries	**3.75**	3.6
Rate of increase for pensions in payment / inflation	**3.05**	2.9
Inflation assumption (CPI)	**3.05**	2.9
Commutation of pensions to lump sums - pre April 2008	**50**	50
Commutation of pensions to lump sums - post April 2008	**75**	75

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

	2022 Years	2021 Years
Retiring today		
Males	**21.2**	21.4
Females	**23.8**	24
Retiring in 20 years		
Males	**22.1**	22.4
Females	**25.5**	25.7

25. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(112)	(108)
Discount rate -0.1%	112	108
Salary increase rate +0.1%	9	10
Salary increase rate -0.1%	(9)	(10)
CPI rate +0.1%	104	96
CPI rate -0.1%	(104)	(96)
1 year increase in member life expectancy	195	186
1 year decrease in member life expectancy	(195)	(185)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,911,000	1,113,000
Bonds	1,248,000	1,016,000
Property	507,000	242,000
Cash	233,000	48,000
Total market value of assets	3,899,000	2,419,000

The actual return on scheme assets was £292,000 (2021 - £247,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(925,000)	(476,000)
Interest income	61,000	34,000
Interest cost	(124,000)	(61,000)
Total	(988,000)	(503,000)

25. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	**4,658,000**	3,345,000
Transferred in on existing academies joining the trust	**2,840,000**	-
Current service cost	**925,000**	476,000
Interest cost	**124,000**	61,000
Employee contributions	**92,000**	59,000
Actuarial (gains)/losses	**(3,757,000)**	743,000
Benefits paid	**(19,000)**	(26,000)
Closing defined benefit obligation	**4,863,000**	4,658,000

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

	2022 £	2021 £
At 1 September	**2,419,000**	1,897,000
Transferred in on existing academies joining the trust	**1,364,000**	-
Interest income	**61,000**	34,000
Actuarial (losses)/gains	**(377,000)**	232,000
Employer contributions	**359,000**	223,000
Employee contributions	**92,000**	59,000
Benefits paid	**(19,000)**	(26,000)
Closing fair value of scheme assets	**3,899,000**	2,419,000

26. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Within 1 year	**12,504**	4,974
Between 1 and 5 years	**33,782**	-
Later than 5 years	**5,204**	-
Total	**51,490**	4,974

27. Conversion to an academy trust

On 1 April 2022 Elworth Hall Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Chancery Multi Academy Trust from Cheshire East Borough Council for £NIL consideration.

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

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	1,460,000	**1,460,000**
Non-current liabilities			
Pensions - LGPS scheme liabilities	(311,000)	-	**(311,000)**
Net (liabilities)/assets	(311,000)	1,460,000	**1,149,000**

The above net assets included £nil that were transferred as cash.

Included in leaseold land and buildings are the school buildings and playing fields which were transferred on a 125 year lease from Cheshire East Borough Council. The basis of this valuation is detailed in the accounting policies note 1.

The LGPS scheme liabilities represents the deficit at 1 April 2022 in respect of employees the maintained school and have transferred to the multi academy trust. The basis for this valuation is detailed in note 1 and note 25.

28. Transfer of existing academies into the academy trust

On 1 November 2021, all of the operations, assets and liabilities of Willaston Primary School, the sole school of The Derwent Trust, transferred to Chancery Multi Academy Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred at the reporting value of the transferring academy and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from an academy.

Willaston Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	1,293,537	**1,293,537**
Leasehold Improvements	103,096	**103,096**
Computer equipment	12,341	**12,341**
Current assets		
Debtors due within one year	11,059	**11,059**
Cash at bank and in hand	124,342	**124,342**
Liabilities		
Creditors due within one year	(79,730)	**(79,730)**
Pensions		
Pensions - pension scheme liabilities	(1,165,000)	**(1,165,000)**
Net assets	299,645	**299,645**

The above net assets included £124,342 that were transferred as cash.

Included in leaseold property are the school buildings and playing fields which were transferred on a 125 year lease from Cheshire East Borough Council.

29. Members' liability

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

30. Related party transactions

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

X-Academy - a company in which S Coles's (a Trustee during the year) wife is the owner. The academy trust has purchased services from X-Academy totalling £2,610 (2021 - £2,127) during the year. There were no amounts outstanding at the 31 August 2022 (2021 - £nil). The academy trust made the purchases at arms' length.

Chief Finance Officer, Y Hilditch, is the mother of R Hilditch, an employee of the Trust. R Hilditch is paid within the normal pay scale for her role, Y Hilditch takes no part in discussions around performance and pay of R Hilditch and she therefore receives no special treatment as a result of her relationship to the CFO.

Chief Executive Officer, S Gohr, is the sister of C Fowler, an employee of the Trust. C Fowler is paid within the normal pay scale for her role. S Gohr takes no part in discussions around performance and pay of C Fowler and she therefore receives no special treatment as a result of her relationship to the CEO.

Head of Excalibur Primary School, J Jones, is the mother of K Tomkinson, an employee of the Trust. K Tomkinson is paid within the normal pay scale for her role, J Jones takes no part in discussions around performance and pay of K Tomkinson and she therefore receives no special treatment as a result of her relationship to the Headteacher.

No other related party transactions took place in the period of account.