
SARACENS MULTI-ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

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SARACENS MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	N Wray N Leslau G Banks
Trustees	G Chase C Alcock, CEO and Accounting Officer ¹ G Banks K Bell ¹ G Chase, Chairman A Evans, Vice Chairman C Flathers T Lee L Manning ¹ K Perry A Smith M Stevens, Principal M Velani ¹ A Gray

¹ member of the Audit Committee

Company registered number	10646649
Company name	Saracens Multi-Academy Trust
Principal and registered office	Saracens High School Lanacre Avenue London NW9 5FN
Senior management team	C Alcock, Chief Executive Officer M Stevens, Principal E Smith, Acting Assistant Vice Principal C Edwards, Trust Business Manager
Independent auditors	Hillier Hopkins LLP Chartered Accountants Radius House 51 Clarendon Road Watford Herts WD17 1HP

SARACENS MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1st March 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates a free school for pupils aged 11 to 19 serving a catchment area in Colindale. It has a potential pupil capacity of 1130 and had a roll of 309 in the school census on 3rd October 2019.

Structure, governance and management

a. Constitution

Saracens Multi-Academy Trust ('SMAT') is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Saracens Multi-Academy Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served throughout the period 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 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.

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School and Trust business. The Risk Protection Arrangement provides cover up to £10,000,000 on any one claim.

d. Method of recruitment and appointment or election of Trustees

Up to 9 Trustees, some of whom are the members of the Charitable Company for the purpose of company law, are nominated by the Members to the Board of Trustees. The articles of association require that there are at least 3 Trustees, but there is no maximum number. The Chief Executive Officer, if he or she agrees to be a Trustee may also be a member of the Board. The Trustees may also co-opt Trustees.

With the exception of the Chief Executive Officer, Trustees are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term. The time limit does not apply to the Chief Executive Officer.

e. Policies adopted for the induction and training of Trustees

New Trustees and Governors receive induction training and support from the CEO and Clerk to the Governing Body. Ongoing training is mandatory for all Trustees and Governors and those undertaking specific roles undertake further appropriate subject training. All Trustees and Governors undertake mandatory safeguarding training every year.

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

The Multi Academy Trust is governed by a Board of Trustees constituted under a Memorandum of Association and Articles of Association. The Board is responsible for ensuring that high standards of governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the MAT, addressing matters such as:

- Policy development and strategic direction
- Ensuring compliance with legal requirements
- Ensuring sound management and administration
- Establishing and maintaining effective internal controls
- Management of all resources
- Monitoring of schools' performance and
- Assessing and managing risk.

The Trust operates in accordance with a formal scheme of delegation and system of internal financial controls. The scheme defines the responsibilities of the Board, Local Governing Body ("LGB"), CEO and Principal.

From 1 September 2018, the Trustees have delegated a number of functions to a Local Governing Body. The LGB is responsible for monitoring key aspects of the school's performance such as progress and attainment of pupils, quality of teaching and behaviour and safety of pupils.

Governor Committees are informed by the Senior Leadership of the school. The Senior Leadership of the school is responsible for the school, its staff, its pupils and the education they receive.

Catherine Alcock was the Chief Executive Officer and Accounting Officer throughout the end of the accounting period.

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

The salaries of Key Management Personal are evidence based and established from published data such as public sector pay scales, advertised salaries, salary surveys and media reports. The salaries of the CEO and Principal are set by the Board of Trustees.

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%	-

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	821,104	
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. Connected Organisations including related party relationships

Saracens Rugby Club sponsor the Multi-Academy Trust but have no part in the operational running of the schools.

One of the SMAT Trustees is a Director of Saracens Sports Foundation. Saracens Sports Foundation has no influence in the decisions of SMAT.

The Orion school, as part of the Goldstar Federation, is a related party with the Principal being a Trustee. The Federation has no control or significant influence over the decisions and operations of SMAT.

The School works closely with its strategic partners, Middlesex University, the Goldstar Federation, Watford Grammar School for Boys and the Worshipful Company of Arbitrators.

Objectives and activities

a. Objects and aims

SMAT's principal activity is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

A further object is to promote the provision of facilities for recreation and other leisure activities for people living close to the schools.

b. Objectives, strategies and activities

The main objective for the 2018/19 financial year was the successful opening and first year in operation of Saracens High School. The school, which opened on 4 September 2018, is non-selective and provides education for pupils of different abilities between the ages of 11 and 19. This school opened with 157 pupils, rising to 309 in 2019/20 and will grow organically as each year group is admitted to reach a total of 1130 pupils in 2024. The pupils are drawn from the local area in accordance with the local authority's admission arrangements, which the school has committed to until 2020.

The Trust also continued working towards opening of a primary school on the Grahame Park Estate, with an anticipated opening in September 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

In establishing Saracens High School, the charity acted in accordance with its objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Strategic report

a. Achievements and performance

During the accounting period 1st September 2018 to 31st August 2019, with only a Year 7 cohort on roll, the Saracens High School has no published data. The following highlights the achievements and performance over the first year of operation of Saracens High School.

The school's values, taken from the Saracens organisation, are discipline, hard work, honesty, and humility. The school has started to embed these values, for pupils to 'live' them in and out of school to enable them to take advantage of opportunities, responsibilities and experience of later life. These are particularly important given the profile of social disadvantage in the local community.

Despite being above average for the KS2 SATS reading test as a cohort, the 2018 cohort pupils were, on average, 11 months behind their chronological reading age. The school is committed to ensuring that pupils can read in line with their chronological age by the end of Year 8.

In order to help pupils develop to be the best they can be, with a passion for making a positive contribution to their community, the Trustees and Governors believe that pupils must explore all their talents and experience a wide range of opportunities. To this end the school looks to ensure that the curriculum is broad, balanced, relevant, and personalised. Culture, character, and community are central to the ethos of the school, and all pupils are working towards qualifications in character education, with two thirds of the first cohort completing a two-year qualification within one year.

The pastoral system has six houses, which are used to foster the feeling of family. Each house is split into two Learning Groups in each year, giving a ratio of 13 pupils to one Learning Coach. This promotes a strong family relationship between the Learning Coach and pupils and their families.

Most pupils live on the local estate and many have limited experience beyond it. Partnerships with Watford Grammar School for Boys, Mill Hill and Belmont Independent Schools provide opportunities for pupils to mix with children from different backgrounds and provides a rich experience for all involved.

Extra-curricular opportunities included regular trips (including going to the cinema to watch a film in Spanish, visiting the Egyptian Cultural Centre, the London Aquarium, the Science Museum, and London Zoo), supported by a varied programme of weekly activities offered by staff, including a science club, global club, podcasting, language leaders, sports, arts, and music clubs. Saracens Sports Foundation provide coaching for the rugby and dance.

As the only school in the country associated with a professional sports team, promoting healthy and active

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

lifestyles are important. Pupils have three PE lessons each week, opportunities to take part in a number of sports clubs, and through our family lunch, eat a healthy and nutritious meal every day.

Attendance in the first year was above average (96.0%) and persistent absence is below the national average. This data is impacted by Eid, where over 50% of the children had one or two religious observance days.

b. Going concern

After making appropriate enquires, the Board of Trustees has a reasonable expectation that SMAT 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.

c. Financial review

The vast majority of the Trust's incoming resources is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants restricted to specific educational purposes. The Trust continues to receive set up resource funding and diseconomies funding as a new school. Saracens High School serves a catchment area where 66% of pupils are in receipt of Pupil Premium funding and this funding has enabled greater resources to be spent on educational support staff and materials, to support pupil interventions.

c. Financial review

To facilitate the growth of the school and the new year group, capital funds from the ESFA were spent as follows: ICT £167k, Furniture & Fittings £46k, together with improvements to the temporary building of £9,000. As this grant is deemed capital expenditure, all of the spend is shown in the Statement of Financial Activities as funding for the Academy's operations in the restricted fixed asset fund.

A large amount of unexpected donations and grants received during the year. Of the £68k received, £30k was donated to enable the school to provide enrichment activities, £3.5k for drama and oral literacy events, £25k to fund a counsellor, £8k for library books and furniture and £1k towards the transport costs of an event at Watford Grammar School. All are shown in the restricted fund, with the exception of £753 of gift aid received in 18/19 in relation to an unrestricted donation received in 2017/18. As at 31st August 2019, £44k of these donations remain unspent and carried forward for use in 2019/20.

a. Reserves policy

The Trust aims to operate a level of free reserves of around 7% of GAG funding in the first two years after opening. The Trust would, however, be comfortable with a level of reserves ranging from 5 to 9%. Building reserves is necessary in relation to known high cost years such as 2020/21, with GCSE book costs, estimated to be in the region of £50k. This is always to be balanced with the need to spend appropriate and sufficient monies in-year to enable the best educational outcomes for the current pupils.

The increase in total restricted funds for the year was £188k and in unrestricted funds £5k. The surplus is effectively reduced in practice by £47k of capitalised expenditure and £44k of unspent donations carried forward. The surplus is largely restricted and can only be spent on specific items.

The total restricted income reserves held by the Trust at 31st August 2019 are £297k and total unrestricted reserves £7k.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

b. Investment policy

Where there are anticipated cash balances in excess of £100k at each month end for the following quarter, funds will be invested with banking institutions that are regulated by the FCA and with a rating of at least A-. The Trust will only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

The Trust is therefore in the process of transferring £80k to another bank and will then consider whether a further transfer is appropriate.

c. Principal risks and uncertainties

To monitor and manage the strategic, operational, compliance and financial risks of the school, a comprehensive risk register has been developed which is reviewed regularly by Trustees.

The principal financial risk that may affect the School is:

Government funding

The School has considerable reliance on continued government funding through the ESFA. For the future there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- maintaining the positive relationships with the ESFA and DfE that developed successfully during the preopening phase;
- by ensuring the School is rigorous in delivering good value for money high quality education and training;
- identifying potential sources of funding through grant funding, donations and consultancy to supplement core ESFA funding.

Fundraising

In the development of the Trust the charity sought donations from known supporters of Saracens Rugby Club and registered the charity for gift aid. There were no public appeals for donations and no professional fundraisers were employed.

Plans for future periods

Saracens High School opened in temporary accommodation in September 2018. The school is expected to move to its permanent site in 2021. The Trust is seeking to open Saracens Primary School in September 2022.

The School's five year budget plan is intended to ensure that adequate resources are allocated to support the next phase of the build up of the school to full occupancy of 1130 pupils by 2025.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Funds held as custodian on behalf of others

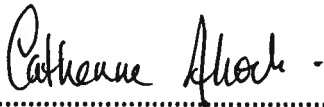
There are no fund held as custodian trustee on behalf of others.

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 5 December 2019 and signed on its behalf by:



.....
C Alcock

SARACENS MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

For the operational phase of the school the Board of 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 Saracens Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 5 times during the year to 31st August.

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

Trustee	Meetings attended	Out of a possible
Kate Alcock, CEO and Accounting Officer	5	5
Gordon Banks	4	5
Katie Bell	3	5
Graham Chase, Chairman	5	5
Alan Evans, Vice Chairman	4	5
Chris Flathers	2	5
Trevor Lee	5	5
Lee Manning	1	5
Kevin Perry	5	5
Anthony Smith	4	5
Matthew Stevens, Principal	5	5
Mitesh Velani	2	5
A Gray	3	5

Membership of the Board was stable over the period. The Board undertook a skills audit to ensure that support was provided across a wide range of specialisms, including education.

A Committee of the Trust during the accounting period was the Audit Committee. The Committee's purpose was to ensure the adequacy of financial systems of control and audit within the Trust and each academy and to oversee the appointment and instruction of the internal and external auditors.

Membership of the Audit Committee was as follows:

Trustee	Meetings attended	Out of a possible
Lee Manning	3	3
Mitesh Velani	3	3
Katie Bell	3	3
Peter Harvey	2	2
Lee Manning	3	3

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GOVERNANCE STATEMENT (CONTINUED)

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 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 ensuring that goods and services used in setting up Saracens High School were procured in accordance with internal financial regulations and subject to strict tendering procedures, as necessary. Framework agreements were used where possible and discounts obtained wherever these could be negotiated.

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 for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Audit Committee 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 Audit Committee 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 ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee.

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 monthly financial reports which are reviewed by the Trust Board;
- regular reviews by the Finance Committee of the Local Governing Body and the Trust Board of Reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks through a comprehensive risk register; and
- reviews by the internal auditor of the operation of controls in key accounting systems and reporting of outcomes to the Audit Committee.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint H Jones ACA as internal auditor.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The scope of the review was restricted to the Saracens School finance department and to the key areas of financial risk. The objective was to provide assurance to the Audit Committee and to the school's management that the key financial controls are in place.

On an annual basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the ' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. No material control issues were identified as a result of the work undertaken.

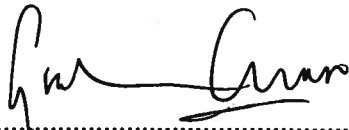
Review of effectiveness

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


- the work of the internal auditor;
- the work of the external auditors; and
- the financial management and governance self-assessment process.

The Accounting Officer will advise the Trustees of the implications of their review of the system of internal control and a plans to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 December 2019 and signed on their behalf by:



.....
G Chase
Chairman



.....
C Alcock
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Saracens Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 Academies Financial Handbook 2018.

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.



C Alcock
Accounting Officer
Date: 5 December 2019

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 & 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:

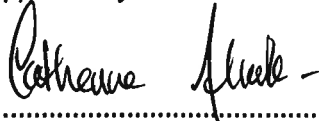
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 5 December 2019 and signed on its behalf by:


.....
C Alcock

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SARACENS MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of Saracens Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SARACENS MULTI-ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SARACENS MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, 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.

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.



Alexander Bottom ACA (senior statutory auditor)
for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 11th December 2019

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SARACENS
MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saracens Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 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 Saracens Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Saracens 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 Saracens Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Saracens Multi-Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Saracens Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 24 February 2018 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SARACENS
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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Hillier Hopkins LLP

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *11th December 2019*

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	753	67,530	52,348	120,631	851,411
Charitable activities		35,317	1,510,787	-	1,546,104	367,406
Other trading activities		5,227	9,358	-	14,585	-
Investments	6	158	-	-	158	59
Total income		41,455	1,587,675	52,348	1,681,478	1,218,876
Expenditure on:						
Charitable activities		36,051	1,439,240	91,377	1,566,668	279,075
Total expenditure		36,051	1,439,240	91,377	1,566,668	279,075
Net movement in funds before other recognised gains/(losses)		5,404	148,435	(39,029)	114,810	939,801
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(52,000)	-	(52,000)	-
Net movement in funds		5,404	96,435	(39,029)	62,810	939,801
Reconciliation of funds:						
Total funds brought forward		2,059	98,628	839,114	939,801	-
Net movement in funds		5,404	96,435	(39,029)	62,810	939,801
Total funds carried forward		7,463	195,063	800,085	1,002,611	939,801

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 46 form part of these financial statements.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10646649

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	238,964	109,044
		<u>238,964</u>	<u>109,044</u>
Current assets			
Debtors	15	636,644	825,095
Cash at bank and in hand		361,218	161,308
		<u>997,862</u>	<u>986,403</u>
Creditors: amounts falling due within one year	16	(132,215)	(145,646)
Net current assets		<u>865,647</u>	<u>840,757</u>
Total assets less current liabilities		<u>1,104,611</u>	<u>949,801</u>
Net assets excluding pension liability		<u>1,104,611</u>	<u>949,801</u>
Defined benefit pension scheme liability	23	(102,000)	(10,000)
Total net assets		<u><u>1,002,611</u></u>	<u><u>939,801</u></u>

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	18	800,085		839,114	
Restricted income funds	18	297,063		108,628	
Restricted funds excluding pension asset	18	1,097,148		947,742	
Pension reserve	18	(102,000)		(10,000)	
Total restricted funds	18		995,148		937,742
Unrestricted income funds	18		7,463		2,059
Total funds			1,002,611		939,801

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:



.....
C Alcock

The notes on pages 24 to 46 form part of these financial statements.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	368,701	(553,521)
Cash flows from investing activities	21	(168,791)	714,829
Change in cash and cash equivalents in the year		199,910	161,308
Cash and cash equivalents at the beginning of the year		161,308	-
Cash and cash equivalents at the end of the year	22	<u>361,218</u>	<u>161,308</u>

The notes on pages 24 to 46 form part of these financial statements

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Saracens 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.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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.

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **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.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

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.

1.7 Tangible fixed assets

Assets costing £2,000 or more with a useful life of more than one year 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:

Depreciation is provided on the following bases:

Furniture and equipment	- over 4 years
Computer equipment	- over 3 years

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.

1.8 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.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. 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 note 16. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 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.

1.13 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.

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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:

The pension scheme deficit has been valued as the present value of deficit payments, which is not expected to be materially different from an actuarial valuation.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	753	67,530	68,283	23,000
DfE/ESFA capital grants	-	52,348	52,348	828,411
	<u>753</u>	<u>119,878</u>	<u>120,631</u>	<u>851,411</u>
<i>Total 2018</i>	<u>2,000</u>	<u>849,411</u>	<u>851,411</u>	

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy's educational activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,155,065	1,155,065	-
Other DfE Income	-	127,759	127,759	-
Start up Grant	-	167,500	167,500	367,406
	-	1,450,324	1,450,324	367,406
Other government grants				
SEN High Needs	-	47,526	47,526	-
Other local authority	-	2,900	2,900	-
	-	50,426	50,426	-
Other funding				
Catering income	34,107	-	34,107	-
Trip income	-	3,000	3,000	-
Other income	1,210	7,037	8,247	-
	35,317	10,037	45,354	-
	35,317	1,510,787	1,546,104	367,406
<i>Total 2018</i>	-	367,406	367,406	

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Consultancy Income	4,955	-	4,955
Other Income	272	9,358	9,630
	5,227	9,358	14,585

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	158	158	59

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Educational Activities:					
Direct costs	801,201	-	99,393	900,594	-
Allocated support costs	285,032	62,054	318,988	666,074	279,075
	<u>1,086,233</u>	<u>62,054</u>	<u>418,381</u>	<u>1,566,668</u>	<u>279,075</u>
<i>Total 2018</i>	<u>83,358</u>	<u>-</u>	<u>195,717</u>	<u>279,075</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Activities	900,594	666,074	1,566,668	279,075
<i>Total 2018</i>	<u>-</u>	<u>279,075</u>	<u>279,075</u>	

Analysis of direct costs

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	801,201	-
Teaching and educational supplies	81,885	-
Examination fees	690	-
Staff development	5,142	-
Educational consultancy	8,913	-
School trips	2,763	-
	<hr/> 900,594 <hr/>	<hr/> - <hr/>

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Pension expense	1,000	-
Staff costs	285,032	77,588
Depreciation	91,377	4,597
Teaching and educational supplies	24,875	22,301
Project management	-	75,750
Catering costs	76,891	-
Staff development	5,094	1,359
Technology costs	42,662	5,595
Educational consultancy	-	7,263
Travel and subsistence	376	-
Publicity	3,902	8,244
Maintenance of premises	23,963	-
Rent and rates	11,692	-
Other staff costs	10,672	13,697
Insurance	12,464	-
Agency staff	-	5,770
Governance	12,846	4,500
Energy	26,399	-
Administration costs	25,840	28,025
Legal and professional fees	10,989	24,386
	666,074	<i>279,075</i>

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	5,687	-
Depreciation of tangible fixed assets	91,377	4,597
Fees paid to auditors for:		
- audit	6,500	4,500
- other services	1,750	1,725
	1,750	1,725

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	821,104	52,472
Social security costs	79,215	4,870
Pension costs	185,914	20,246
	1,086,233	77,588
Agency staff costs	-	5,770
	1,086,233	83,358

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	16	-
Admin and support	7	5
Management	4	2
	27	7

SARACENS MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £80,001 - £90,000	1	-

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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £245,601 (2018: £38,896).

11. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

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:

		2019	2018
		£	£
M Stevens	Remuneration	80,000 -	30,000 -
		85,000	35,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
C Alcock	Remuneration	20,000 -	<i>n/a</i>
		25,000	
	Pension contributions paid	5,000 -	<i>n/a</i>
		10,000	

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Trustees' and Officers' insurance

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

	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2018	60,097	53,544	113,641
Additions	54,586	166,711	221,297
At 31 August 2019	<u>114,683</u>	<u>220,255</u>	<u>334,938</u>
Depreciation			
At 1 September 2018	1,252	3,345	4,597
Charge for the year	26,103	65,274	91,377
At 31 August 2019	<u>27,355</u>	<u>68,619</u>	<u>95,974</u>
Net book value			
At 31 August 2019	<u>87,328</u>	<u>151,636</u>	<u>238,964</u>
At 31 August 2018	<u>58,845</u>	<u>50,199</u>	<u>109,044</u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	2,226	-
Other debtors	20,091	54,630
Prepayments and accrued income	614,327	770,465
	<u>636,644</u>	<u>825,095</u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	47,724	108,463
Other taxation and social security	34,643	-
Other creditors	391	11,330
Accruals and deferred income	49,457	25,853
	132,215	145,646

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	361,218	161,308
Financial assets that are debt instruments measured at amortised cost	18,737	767,687
	379,955	928,995
 Financial liabilities		
Financial liabilities measured at amortised cost	(89,147)	(145,424)

Financial assets measured at fair value through income and expenditure comprise cash and bank.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	2,059	41,455	(36,051)	-	-	7,463
Restricted general funds						
General Annual Grant (GAG)	-	1,155,065	(1,039,655)	-	-	115,410
Other DfE grants	-	127,759	(115,742)	-	-	12,017
Start Up Grant	87,628	167,500	(160,674)	-	-	94,454
Local Authority grants	-	50,426	(50,426)	-	-	-
Other income	21,000	86,925	(32,743)	-	-	75,182
Pension reserve	(10,000)	-	(40,000)	-	(52,000)	(102,000)
	<u>98,628</u>	<u>1,587,675</u>	<u>(1,439,240)</u>	<u>-</u>	<u>(52,000)</u>	<u>195,063</u>
Restricted fixed asset funds						
Restricted fixed assets	109,044	-	(91,377)	221,297	-	238,964
ESFA capital grants	730,070	52,348	-	(221,297)	-	561,121
	<u>839,114</u>	<u>52,348</u>	<u>(91,377)</u>	<u>-</u>	<u>-</u>	<u>800,085</u>
Total Restricted funds	<u>937,742</u>	<u>1,640,023</u>	<u>(1,530,617)</u>	<u>-</u>	<u>(52,000)</u>	<u>995,148</u>
Total funds	<u><u>939,801</u></u>	<u><u>1,681,478</u></u>	<u><u>(1,566,668)</u></u>	<u><u>-</u></u>	<u><u>(52,000)</u></u>	<u><u>1,002,611</u></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided via the Education & Skills Funding Agency (ESFA) by the Department for Education. The GAG fund must be used for the normal running costs of the Academy.

Pupil Premium, included within other DfE Grants, are funds allocated to academies with pupils that are known to be eligible for free school meals and pupils who have been in local authority care, e.g. adopted

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18. Statement of funds (continued)

children. The purpose is to raise attainment for pupils from low income families.

The Start Up Grants represent funding from the the Government to cover the costs of academy conversion for joining schools.

SEN High Needs, included within Local Authority Grants, are funds allocated to academies for pupils with special educational needs from the local authority.

The pension reserve represents the net position on the LGPS defined benefit pension scheme.

The Restricted Fixed Asset Fund includes all fixed assets greater than £2,000. Depreciation charged on the assets is allocated to the fund. Transfers in to the fixed asset fund relates to fixed asset additions funded from unrestricted funds.

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 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Saracens High School	304,526	110,687
Restricted fixed asset fund	800,085	839,114
Pension reserve	(102,000)	(10,000)
Total	1,002,611	939,801

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Saracens High School	801,201	286,032	81,885	306,173	1,475,291	274,478

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FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> <i>in/out</i> £	<i>Balance at</i> <i>31 August</i> <i>2018</i> £
Unrestricted funds				
General Funds	2,059	-	-	2,059
Restricted general funds				
Start up grants	367,406	(264,478)	(15,300)	87,628
Donations	21,000	-	-	21,000
Pension reserve	-	(10,000)	-	(10,000)
	<u>388,406</u>	<u>(274,478)</u>	<u>(15,300)</u>	<u>98,628</u>
Restricted fixed asset funds				
Restricted fixed assets	-	(4,597)	113,641	109,044
ESFA capital grant	828,411	-	(98,341)	730,070
	<u>828,411</u>	<u>(4,597)</u>	<u>15,300</u>	<u>839,114</u>
Total Restricted funds	<u>1,216,817</u>	<u>(279,075)</u>	<u>-</u>	<u>937,742</u>
Total funds	<u><u>1,218,876</u></u>	<u><u>(279,075)</u></u>	<u><u>-</u></u>	<u><u>939,801</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	238,964	238,964
Current assets	7,463	429,278	561,121	997,862
Creditors due within one year	-	(132,215)	-	(132,215)
Provisions for liabilities and charges	-	(102,000)	-	(102,000)
Total	7,463	195,063	800,085	1,002,611

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	109,044	<i>109,044</i>
Current assets	2,059	254,274	730,070	<i>986,403</i>
Creditors due within one year	-	(145,646)	-	<i>(145,646)</i>
Provisions for liabilities and charges	-	(10,000)	-	<i>(10,000)</i>
Total	2,059	98,628	839,114	939,801

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

	2019 £	2018 £
Net income for the year (as per statement of financial activities)	<u>114,810</u>	<u>939,801</u>
Adjustments for:		
Depreciation	91,377	4,597
Capital grants from DfE and other capital income	(52,348)	(828,411)
Interest receivable	(158)	(59)
Defined benefit pension scheme finance cost	40,000	10,000
Decrease/(increase) in debtors	188,451	(825,095)
(Decrease)/increase in creditors	(13,431)	145,646
Net cash provided by/(used in) operating activities	<u><u>368,701</u></u>	<u><u>(553,521)</u></u>

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	158	59
Purchase of tangible fixed assets	(221,297)	(113,641)
Capital grants from DfE Group	52,348	828,411
Net cash (used in)/provided by investing activities	<u><u>(168,791)</u></u>	<u><u>714,829</u></u>

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	361,218	161,308
Total cash and cash equivalents	<u><u>361,218</u></u>	<u><u>161,308</u></u>

23. Pension commitments

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Pension commitments (continued)

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

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

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.6% of pensionable pay
- 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 new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £81,353.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. 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 2019 was £82,000, of which employer's contributions totalled £66,000 and employees' contributions totalled £ 16,000. The agreed contribution rates for future years are 23.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.6
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.0	
Females	23.3	
<i>Retiring in 20 years</i>		
Males	22.3	
Females	25.1	

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	50,400	-
Corporate bonds	28,800	-
Property	2,700	-
Cash and other liquid assets	8,100	-
Total market value of assets	90,000	-

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23. Pension commitments (continued)

The actual return on scheme assets was £3,000.

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

	2019 £	2018 £
Current service cost (net of prior period adjustment)	(105,000)	10,000
Interest income	1,000	-
Interest cost	(2,000)	-
Total amount recognised in the Statement of financial activities	(106,000)	10,000

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

	2019 £	2018 £
At 1 September	10,000	-
Current service cost	105,000	10,000
Interest cost	2,000	-
Employee contributions	16,000	-
Actuarial losses/(gains)	54,000	-
Opening balance adjustment	5,000	-
At 31 August	192,000	10,000

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

	2019 £	2018 £
Interest income	1,000	-
Actuarial gains	2,000	-
Employer contributions	66,000	-
Employee contributions	16,000	-
Opening balance adjustment	5,000	-
At 31 August	90,000	-

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24. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy Trust 2019 £
Not later than 1 year	5,507
Later than 1 year and not later than 5 years	11,013
	<hr/> 16,520 <hr/>

On 16 May 2018 the trust was granted a 4 year lease from the London Borough of Barnet for a peppercorn rent. The lease cannot be assigned or any part of the premises sublet and therefore the Trustees are of the opinion that it therefore has no commercial value. As a result, a market value cannot be assigned and therefore no donation nor rental expense have been recognised in these accounts.

25. 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.

26. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The Academy Trust purchased cleaning services of £2,567 (2018: £nil) and recharged transport costs of £132 (2018: £nil) in the period from The Gold Star Federation. C Flathers, a Trustee, is the Principal of the schools in the Gold Star Federation. At the year end, £nil (2018: £nil) was outstanding.

The Academy Trust purchased educational consultancy services of £863 (2018: £nil) in the period from Saracens Sport Foundation. G Banks, a Trustee, is the Chief Community Officer and a director of Saracens Sport Foundation. At the year end, £nil (2018: £nil) was outstanding.