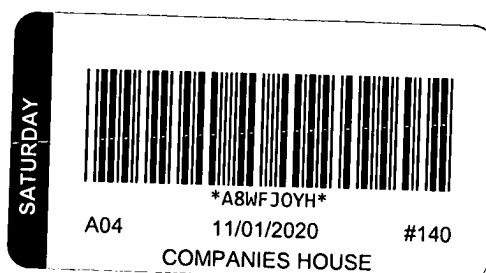


Company Registration No. 07689980 (England and Wales)

SFAET LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SFAET LIMITED

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditor's report on the financial statements	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25 - 26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements including accounting policies	29 - 48

SFAET LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K Pyle
M Gleeson
J Wilkinson
A Beddoe - Appointed 21 October 2019

Trustees

A Beddoe (Resigned 27 February 2019)
T Scully (Resigned 17 September 2018)
J Wilkinson (Chair)
P Ward (Executive Headteacher and Accounting Officer)
A Stewart
P Kohli
Q Lennon
N Yeomans
D Rowlands (Appointed 10 July 2019)
I Semenyuk (Appointed 27 March 2019)

Senior management team

P Ward	- Executive Headteacher
L Sexton	- Deputy Headteacher
F Gilgan	- Deputy Headteacher
S Thompson	- Deputy Headteacher
T Greaves	- Assistant Headteacher
M Gilbert (Appointed 01 January 2019)	- Assistant Headteacher
S Carrington	- Assistant Headteacher
K Ward	- Assistant Headteacher
J Barrett	- Trust Business Manager
A Saunders	- Headteacher
H Desmond	- Deputy Headteacher
L Raftery	- Deputy Headteacher
L Stutchfield	- Assistant Headteacher
A Henry	- Deputy Headteacher
T Barrett	- Trust Business Manager
S Brooks (Appointed 01 September 2018)	- Headteacher
N Hooper	- Deputy Headteacher
T Braggins (Resigned 28 February 2019)	- Deputy Headteacher
J Foley	- Assistant Headteacher
S Nicholson	- Assistant Headteacher
M Shread	- Assistant Headteacher
R Sharma (Appointed 20 April 2019)	- Assistant Headteacher

Company secretary

J P Barrett

Company registration number

07689980 (England and Wales)

Registered office

Cotswold Road
Romford
Essex
RM3 0TS

SFAET LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

The Royal Liberty School

Redden Court School

Sanders School (From 01 September 2018)

Location

Romford

Romford

Hornchurch

Executive Headteacher

A Saunders

P Ward

S Brooks

Independent auditor

Wilkins Kennedy Audit Services

5 Yeomans Court

Ware Road

Hertford

Hertfordshire

SG13 7HJ

Bankers

Lloyds Bank

1-3 Market Place

Romford

Essex

RM1 3AA

Lloyds Bank

21 - 25 Station Lane

Town Centre

Hornchurch

Essex

RM12 6JL

Solicitors

Ward Hadaway

1A Tower Square

Wellington Street

Leeds

LS1 4DL

SFAET LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Multi Academy Trust operates two Academies for pupils aged 11 to 16 serving a catchment area in the London Borough of Havering. It has a pupil capacity of 2,477 and had a roll of 2,065 in the school census on 3rd October 2019.

Structure, governance and management

Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust. The Board of Trustees direct the charitable activities of SFAET Ltd and are also Directors of the charitable company for the purposes of company law. The charitable company is known as SFAET Ltd formerly Success for All Educational Trust and formerly Redden Court School.

The Multi-Academy Trust is now made up of three academies, being Redden Court School, Sanders School and The Royal Liberty School. Sanders joined the Multi Academy Trust on 1st September 2018.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Governors 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 any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi-Academy Trust. The cost of this insurance in the year was included as part of the Risk Protection Agreement (RPA) set in place by the Department for Education for all Academies that joined this scheme. These costs are based on a cost per pupil ratio.

Method of recruitment and appointment or election of Trustees

Members can appoint up to 12 Trustees. The Academy Ambassadors have been used to recruit new Trustees that have added skills and expertise to the Multi-Academy Trust. The members have reviewed CVs and at least one member has met all new Trustees. Members must pass a resolution to appoint the new Trustee. The resolution documents are passed to the Company Secretary who organises the appointment through Companies House.

Policies and procedures adopted for the induction and training of Trustees

The Trustees have signed up to a support service from Havering Governor Services. This includes induction training plus a suite of other training courses and access to consultancy and on-line training packages. The Board of Trustees has also signed up to support provision from the National Governance Association that provides support for members. The schools also offer training sessions to the Trustees and where a specific need may be identified, provision will be procured to ensure that training takes place. The Chair of Trustees also arranges an induction programme that is tailored to individual need for new Trustees.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Multi Academy Trust operates a structure where the Board of Trustees is responsible for the strategic direction of the school and holding the management team to account for delivery of services and financial probity. The Executive Headteacher is responsible for the operational management of all schools within the Multi Academy Trust and distributes these responsibilities to the Senior Leadership teams of each school.

All schools hold at least a weekly Senior Leadership Team meetings to discuss the operational management of the schools and make operational decisions. An Executive Team meeting where Trust Business Managers and Headteachers meet, takes place fortnightly to ensure consistency of decision making in the Trust and decisions impacting all schools are planned strategically. Strategic decisions are made by the Board of Trustees who meet at least termly and decisions are delegated to the appropriate committees that also meet at least once per term.

These committees include a Resources committee and a Standards committee. Each school has a Local Governing Body. The Executive Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust follows a robust pay policy which is reviewed annually. Remuneration for the Senior Leadership Team follows a structure approved by the Board of Trustees. An independent pay committee has delegated authority to make decisions relating to performance related pay and award of any increase in spine points or retention allowances. On conversion to Academy status, Redden Court School retained the pay structures for maintained schools. The Royal Liberty School and Sanders School also maintained existing terms and conditions that mirror the national conditions for teacher pay and remuneration when it joined the Multi Academy Trust. All staff are expected to provide a portfolio of evidence to support any requests for pay increments. Any request is considered by the Headteacher and a recommendation is made to the pay committee. The committee may seek evidence to support any recommendation, but it is ultimately the decision of the pay committee in terms of remuneration. Remuneration for the Executive Headteacher, Headteacher and Senior Leadership Teams as above is also approved by the pay committee.

Related parties and other connected charities and organisations

Owing to the nature of the Multi Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees and members of the Local Governing Bodies may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. All Trustees and members of the Local Governing Bodies have been asked to complete a register of pecuniary interests and related parties which are posted on to the schools' and Trust website. No Trustee has identified a pecuniary interest or related party that could result in any profit for them.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The Multi-Academy Trust's main objects ("the Objects") are to offer a broad and balanced curriculum, fundraise, employ staff to meet the objects, work with other charities and establishments within the education sector exchanging information and advice with them.

The Multi-Academy Trust is responsible for managing premises and finances of schools, ensuring financial probity and value for money, in line with the published objects within the company's Articles of Association.

The main aims within the financial year included:

- Developing and establishing appropriate tiers of leadership
- Managing the physical expansion of Redden Court and The Royal Liberty schools
- Centralising the Finance and Human Resource functions
- Understanding, maintaining and developing staff and services with Sanders
- Developing facilities and ensuring a safe environment at Sanders
- Managing future budgets
- Recruiting and retaining staff
- Managing significant changes to curriculum and assessment
- Future expansion of the Multi-Academy Trust

The Multi-Academy Trust aims to develop a community of aspirational and high achieving schools who will work with families to secure better futures for our students.

The Multi-Academy Trust aims to provide outstanding education for all students in our schools to best serve our communities.

The Multi-Academy Trust will be organic and will grow over time - the longer term aspiration is to work with providers in different educational phases.

Inclusivity is at the heart of all that is done. With parents/carers the Multi-Academy Trust will inculcate respect for others in our students and do this because this is the right thing to do.

All of our schools will focus on the development of resilient, aspirational, independent learners who strive to achieve the highest possible levels of personal success.

Schools will collaborate in a strong and resilient, self-improving structure informed by best practice to provide the best outcomes for students and create local solutions.

The Multi-Academy Trust will be recognised as a regional and national networking hub which makes the best of its resources to be schools which ensure best practice and where staff are keen to develop their vocations.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The Multi-Academy Trusts main strategy is encompassed in its mission statement which is "Success for All". To this end the strategies delivered mainly included the provision of teaching and learning to ensure that there was a focus on the delivery of education to develop students' skills and knowledge to ultimately succeed in their GCSE exams.

The Multi-Academy Trust uses Go for Schools, a database that records student outcomes, to monitor progress and track individuals. The Trust has a focus on delivering an enriched curriculum with the aim of the majority of students accessing the EBACC curriculum which includes English, Mathematics, Science, one Humanities subject and a Modern Language. Where the EBACC curriculum is not appropriate for some students, access to an alternative pathway is offered to provide students with the opportunity of success. Where students have Special Educational Need, access to a pathway that offers qualifications in ASDAN and Life Skills is offered. This may not add to the overall outcomes of the school but is considered important to ensure these students learn skills that will help in their transition and gain a qualification and result that is achievable for them.

The policy of the Multi-Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training, wellbeing services and career development. For students services include:

- Pastoral care;
- Careers advice;
- Counselling;
- Home school support.
- Delivery of an enriched curriculum;
- School clubs and
- Mentoring.

Further strategies and activities delivered for students, supported further enrichment, widening participation and provided opportunities to develop social skills and encounter people and places that they may not otherwise have had the opportunity to discover. These strategies were under the umbrella of Extra Curricular and Trips.

The Multi-Academy Trust recognises the importance of charity and has engaged with a number of fundraising initiatives that have supported particular charities.

Academies within the Trust have a group of volunteers that support fundraising of the school and charitable activities. These groups are named Friends of The Royal Liberty and Friends of Redden Court. A similar group disbanded at Sanders and the Academy is in the process of re-energising this fundraising arm.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

These groups have delivered activities that include:

- Quiz nights
- Tribute Act
- Psychic nights
- School Disco
- Halloween Ball
- Mistletoe day
- Cake Sales
- Theatre Trips
- Outdoor Cinema
- Father's/Mother's Day Gift Sale
- Christmas Gift Sale

These events have raised money to support the schools with additional resources. Resources purchased by the Friends include:

- Chrome Books
- Linguascope Subscription
- English Media Subscription
- Pastoral Support
- SEND specialist marker pens
- Hegarty Maths subscription
- Fund for Headteacher to decide through a Specialist Project Allocation which included developing the SEND provision.

The values of the Multi- Academy Trust are as follows:

- We believe in the value and potential of every student and are determined to remove barriers to their success.
- We are committed to high standards of achievement - not just academically but in a broader sense so that our young people develop values that will lead to success in life for them and their communities.
- We embrace a positive mindset approach that insists everyone can make progress.
- We believe that the environment(s) of our schools - both physical and emotional - are crucial determinants for success.
- We want student to be engaged, considerate, reflective and innovative.
- We value our staff because outstanding learning requires outstanding teachers and associate staff. The Multi-Academy Trust will provide exceptional professional and career development as well as competitive employment packages. The Multi-academy trust will be an employer of choice where the personal will always matter.
- We will retain the best characteristics and traditions of each school where school development will happen because of ambition and bespoke support.
- We Trust will deliver high quality teaching with a focus on achieving mastery of a wide range of subject knowledge and skills but which pays heed to important 'headline' measures which enhance student life chances.
- We will provide rich extra-curricular and additional opportunities for all to build character and enrich students' social, moral, spiritual and cultural awareness.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The Trustees of the Multi-Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Multi-Academy Trust's purpose for the Public Benefit include the Duke of Edinburgh Award, Holiday clubs, Zumba, Badminton, Dance, Taekwondo, Marching Band, Adult College, Fitness Clubs, Football teams, Futsal teams, Netball and Basketball teams all that hire the premises. The school also offers the premises for community events such as fundraising quiz nights, discos and tribute acts.

The main purpose of the Multi-Academy Trust is to provide an education to all students admitted to the academies within the Trust. The Multi-Academy provides a varied curriculum to students of all abilities of an age range from 11 to 16 years old. The Multi-Academy Trust prides itself on inclusivity and works hard to ensure accessibility to the majority of students.

The Trustees and Directors also recognise that the Multi-Academy Trust is part of community life and as such offers the academy resource for fundraising and community charitable events on a cost neutral basis. Students are educated on the services provided by charities and students are leaders in identifying charitable causes they wish to support. The Multi-Academy Trust has supported Children in Need, The Royal British Legion Poppy Appeal, The Teenage Cancer Trust, Macmillan Cancer Trust and Havering Food Bank through a range of activities including Mistletoe Day, Non Uniform days, cake sales and sponsored activities.

All academies within the Multi-Academy Trust have an admission policy that is available on their websites.

Strategic report

Achievements and performance

The Academy Trust has just completed its seventh year of operation and its second as a Multi Academy Trust.

Key performance indicators

For Redden Court School:

In the 2019 examinations the school achieved a P8 score within the average band which places the school within the top 40% of schools nationally for progress. In terms of other KPI's, 75% of our Year 11 cohort achieved grade 4 or higher in both English and Mathematics (National Average 61% in 2019), 52% achieved a grade 5 in English and Mathematics (National Average 43% in 2018), 45% achieved the EBacc at grade 4 (National Average 24% in 2018), 25% achieved the EBacc at grade 5 (National Average 16% in 2018). The school remains heavily oversubscribed with over 900 applications for the 210 places in the new Year 7 and significant waiting lists in all other years. Overall student attendance remains consistently at 96% (National Average 94%) which places us in the top 25% of schools nationally. Redden Court continues to recruit staff of a high calibre who contribute to the Academy's overall success. These trends in our main KPI's are improving over time and in many cases significantly above National Averages.

The curriculum at Redden Court is currently structured to offer a 2 year Key Stage 3 with a broad range of subjects. In additions to the baccalaureate subjects, the school offers Design and Technology, Art, Music, Drama, PE, Citizenship and Languages in KS3. In KS4 the academy offers a variety of pathways including an applied pathway, a vocational pathway and an academic pathway based on the EBacc.

The school also offers a wide range of extra-curricular activities, particularly in Sport, The Performing Arts and Duke of Edinburgh.

The opportunity for work experience is offered to all students at the end of Year 10. Students receive a comprehensive programme of careers education and the school has recently received a Quality in Careers award.

The school is currently undergoing a major expansion programme with building works to be completed by September 2020.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

For The Royal Liberty School:

Examination results improved again in 2019. Results showed an improvement in attainment in most of the key performance indicators. The basics figure at a standard pass (9-4) has increased by 13% taking results from 63% to 76% and within the last two years that is a total increase of 27%. The basics at a strong pass increased marginally by 2.6 % taking it to 48.6%. Maths progress remained positive and students attaining a standard pass in maths rose by 12% from 73 to 85%, the strong pass in maths went up by 13% to 61%, these figures are significantly above the national average. The English standard pass increased by 7% taking it to 80% and at a standard pass, it increased by 9% taking it to 65%. The provisional progress score shows a drop in progress from -0.01 to -0.19.

The academy continues to collaborate across the Multi-Academy Trust at many levels. Support has been provided to Sanders on timetabling and in Science. Another example of this is being able to offer GCSE Music delivered by a teacher employed by the Multi-Academy Trust.

The 3 year KS4 has been very popular and successful. Parents and students appreciate having more time to complete their GCSE courses and the pace of KS3 has increased to ensure the national curriculum is delivered. All students must take a Humanities GCSE and students are encouraged to take the Ebacc suite of qualifications. The following option choices continue to be offered; Triple Science, Geography, History, Hospitality and Catering, Art, Music, Drama, DT, ICT, Computing, Business Studies and PE. Selected students are also entered for VCERT in PE and, for those EAL or SEND students who are at risk of not achieving a grade at GCSE, are offered an additional English qualification at silver or gold called Step Up.

In 18/19 attendance improved significantly with overall attendance at 95.8% (up from 94.8%). Persistent absence reduced to 12.8%, also better than national. Due to the fantastic work of the attendance team the current figures stand at 96.8% and 7.6%.

The 3 day work related learning programme established to replace work experience was successful. Students had a day with Prospects, the external careers provider, during which they wrote a personal statement and a CV. They also researched post-16 options and were given advice on the application process for 6th form and apprenticeships. On the second day all students took part in a Dragon's Den activity led by Cragrats (an external company) and the last day was on teambuilding and financial literacy. We have a new member of staff with responsibility for Careers, to ensure we meet the Gatsby Benchmarks by the 2020 deadline.

We continue to offer a varied programme of extra-curricular activities, curriculum trips and aspirational visits to universities. We also have an extensive science outreach programme and the PE department raise our profile in the local community through involvement and success in local authority leagues and the Elite Sports Programme (ESP) which has supported and led many primary school activities.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

For Sanders School:

In the 2019 examinations Sanders achieved a provision Progress 8 score of -0.57, this was a fall on the 2018 result. The percentage of students achieving the basics which are exam GCSE outcomes of at level 5+ fell from 43% to 35%. English outcomes lowered significantly at 5+ lowering from 63.1% in 2018 to 46.7%. Maths pass rates for 5+ fell slightly from 47.6% in 2018 to 45.8%, however this continued a negative Progress 8 score of -0.4. A major contributor to the reduction in Progress 8 Score was the disappointing Progress 8 scores in English Language (110 students) -1.3, English Literature (110 students) -1.3, History (48 students) -1.4.

The Academy's roll has continued to rise. There was a high attendance at Open Evening and over 140 places were offered to Year 7 students for September 2018 and also September 2019. Overall student attendance was 94.9% pleasingly an increase of 1% from 2018 and also above the National Average.

Staff recruitment continues to be a challenge and it is a key priority of the Head to source strong and experienced teachers to aid the need for rapid change and improvement in terms of Teaching and Learning and student outcomes. This will also support the cultural shift and change required and being targeted.

The academy increased its collaboration with Redden Court School and The Royal Liberty School to improve the quality of teaching and learning, marking and feedback and to ensure a more effective use of targeted interventions to address underachievement. These will continue to be focus areas this year alongside further collaboration and the creation of the new Raising Standards Team.

The curriculum offered at KS4 in addition to the core is broad. From September 2019 Sanders moved to an almost entirely 2 year KS4; with just Geography/History being selected earlier (from the start of year 9). From September 2020 all students will be on an entirely 3 year KS3. There has been an increase in the lesson allocation for Humanities and French in KS3. French will become a subject which students are expected to take, this will support and drive the increased uptake of this subject and in turn increased EBACC entry for the school. The status of French was further developed with the introduction of the first overseas French trip last year. This will now be an annual trip.

The academy is working hard to offer a diverse range of careers experiences which will form part of a whole school programme of careers based activities to ensure we deliver the Gatsby benchmarks. There is a varied programme of after school activities there is on offer a range of visits to enrich the curriculum in all year groups.

Going concern

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

Redden Court and Royal Liberty schools have posted a deficit budget in 2018/19. This was approved by Trustees as The Royal Liberty School expanded by 30 students from September 2018 and will generate additional income as a result. Redden Court School has taken on a bulge class of 30 students in September 2018 and expanded by a further 60 students in September 2019 following a consultation on expansion. Building works commenced in May 2019 on site with a modular build that is part funded through the school priority building programme and the Local Authority for the expansion. Works were due to be completed by December 2019. Expansion at The Royal Liberty School began in July 2019 with works due for completion Easter 2021. This involves both school condition improvement through the priority school building programme and expansion funded by the Local Authority.

Sanders school has converted to the Multi-Academy Trust from September 2018. One successful capital bid was made to ensure compliance with fire safety standards. Work to replace water pipes was also undertaken. Further capital bids to finish the water pipe work and to replace roofing are required in year to further enhance the fabric of the building.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi Academy Trust also receives grants for fixed assets from the Education and Skills Funding Agency (ESFA). In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Multi-Academy Trust is committed to Success for All. Strong financial management is at the forefront of this success to ensure that all income generated for our students is spent in order to maximise their potential. The current funding climate is one where Redden Court School has seen a significant reduction in income through the Minimum Funding Guarantee since 2013 and eradication of the Educational Services Grant. With increased student numbers funding has increased but staffing has had to increase to support this growth. The strategy is to use reserves to ensure a full staffing complement for the expansion with a view that a projected surplus will be in place by 2022. The Royal Liberty School has seen an increase in pupil numbers over the last four years which has supported their income generation. All schools are impacted by salary increases agreed between Government and the Unions. There will be a limited increase in funding from Government in the 2019/20 but the first 2% must be found through efficiency savings. Increases in Teacher Pensions will be funded for 19/20 however no guarantees have been made beyond this. The current government has announced a funding strategy that will ensure at least £5,000 of funding per student which will be welcome, however given political uncertainty and potential change in government there is no guarantee this will happen.

During the year ended 31 August 2019, total expenditure of £14,787k (2018: £9,554k) was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income (excluding the FRS102 actuarial adjustment) for the year was £104k (2018: excess of expenditure over income was £98k).

The expenditure of the Multi-Academy Trust has fully supported the academic achievements that have been made by the students in all schools in 2018/19. Investment in staff and in to the resources and maintenance of buildings has ensured a safe working environment where staff deliver a well-rounded curriculum. Sanders School joining the Multi-Academy Trust has been challenging with students achieving progress scores well below average at the point of transfer. A focus on the fabric of the building and expenditure to ensure the building is safe and heating systems working has been a priority in year. A new Headteacher in post and staff converting to the Trust has been a significant change with some turnover to manage in year.

At 31 August 2019, the net book value of fixed assets was £46,473 (2018: £25,542k) and movements in tangible fixed assets are shown in the note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi- Academy Trust.

The Multi-Academy Trust held fund balances at 31 August 2019 of £44,055k (2018: £25,028k) comprising £784k (2018: £820k) of restricted funds, £46,916k (2018: £25,715k) of restricted fixed asset funds, £908k (2018: £680k) of unrestricted general funds and a pension reserve deficit of £4,553k (2018: £2,187k).

In accordance with FRS 102, each school within the Multi-Academy Trust received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2019 and is shown in note 18 to the financial statements.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The Trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reserves policy has two purposes.

1. To hold one month's wages costs in reserves which is equivalent to approximately £900k. The Board of Trustees has agreed a reserves policy that ensures there is enough contingency in place to run the payroll of all schools within the Multi-Academy Trust should there be any issue with the payroll provider that may prevent staff from being paid.
2. To support the expansion of schools. Evidence from expanding student numbers from 2011 to 2015 at Redden Court provides information on the impact of expansion on school resources. A three year projection demonstrates that there is a need to use these reserves to ensure quality staffing and education provision for our students.

The Trust's current level of free reserves is £908k (2018: £680k) (total funds less the amount held in fixed assets and restricted funds) which will be used to provide a cushion against unexpected emergencies such as urgent maintenance.

Should there be a need to spend money outside of the agreed budget this would have to be presented to the Resources Committee of the Trust for approval if outside of the Headteacher's agreed limit in line with the Multi-Academy Trust's Financial Policy. Only with approval will reserves be used to fund any project or overspend.

Charity Reserves and Defined Benefit Pension Schemes

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teacher's scheme, separate assets are held to fund future liabilities as discussed in note 18. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Investment policy

Under the Memorandum and Articles of Association, the Multi-Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit.

The Multi-Academy Trust operated four bank accounts. Two are the main account for all grant income in each school. The other two hold savings that the individual schools have had since conversion to Academy status and hold non-ring-fenced income.

Interest rates are very low and the reserves held remain in the bank as being tied into any schemes realises increased risks and the amounts do not warrant investment, given they will cover one payroll month at present.

Principal risks and uncertainties

The Trustees, together with the Senior Leadership Team, have assessed the major risks to which the Multi-Academy Trust is exposed; in particular relating to specific teaching, provision of facilities and other operational areas of the Multi-Academy Trust and its finances. The Trustees consider that various systems are in existence to assess risks that the Multi-Academy Trust faces. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, the Multi-Academy Trust has entered into the Education Funding Agency's Risk Protection Arrangement.

Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Multi-Academy Trust accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The principal risks facing the Multi-Academy Trust are:

No	Risk Description
	Operational Risk
1	Delegation risk – Committees and Local Governing Boards not established with effective delegated authority
2	Trustees/Governors become too operational and are not independent
3	Performance of schools not improving sufficiently or quickly enough impacts on reputation of Trust
4	Safeguarding arrangements are not fully in place
5	Delays to the delivery of construction projects at RCS and RLS
6	Insufficient funds to ensure a suitable learning environment in the newly constructed facilities.
7	Concern around the performance of Sanders in terms of outcomes, behaviour.
8	The large percentage of vulnerable students at RCS i.e SEND, LAC
9	The performance of Science across the Trust
10	Individual academies have a significant financial surplus/deficit
11	Health and Safety failures occur at our academies / central services office
12	Employee Relations issues not dealt with in line with policy, fairly and appropriately
13	Technological risk of information security, data corruption and out-dated systems
	External Risk
14	Trustee/Member Recruitment - Over reliance on small group rather than wider outlook..
15	Recruitment and Development of competent Local Governing Body members across the Trust
16	Numbers on roll at Trust Academies do not rise in line with expectations, impacting significantly on the ability to invest in improvements and long-term sustainability
17	Recruitment and retention of key leaders and other staff within the Trust – succession planning
18	Risk of financial loss due to changes in funding and impact of external political factors on this.
19	Potential impact of a natural disaster / uncontrollable event e.g. fire, flood
	Change Risk
20	Competent Financial Management System is delivering key requirements for audit, Trustees and ESFA.
21	Realisation of efficiencies through centralised services.

Fundraising

The Trust is committed to fundraising in a non-intrusive manner. Most fundraising activities are managed by the Friends of Redden Court and Friends of Royal Liberty. Both sets of Friends are established as charities in their own right and have their own charitable objects. They make donations to the school or fund activities all for the benefit of students.

When parents join the school, they are invited to an induction where The Friends' charities are communicated to them and these parents are invited to be part of the committee if they choose. The range of planned and past events are explained to the parents including the monies raised and what this has been spent on. There is no compulsion to be involved.

SFAET LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial and risk management objectives and policies

A staff member is part of each of the committees for the Friends of Redden Court and Friends of Royal Liberty.

The Headteacher also meets regularly with the chair of these committees. This allows for sufficient monitoring of the fundraising activities taking place in the school.

The schools do ask parents for donations and these are made available through a covenant scheme and also via on line payment systems. This is mentioned at the point that families join the school community.

Schools offer non uniform days to raise funds for charities. Student voice influences which charities are supported. There is no compulsion to participate should students not wear uniform and not donate.

The wider public are not directly targeted for any fundraising activity.

Plans for future periods

Embedding expansion at Redden Court and ensuring that facilities link to a 21st Century learning environment.

To complete the building works for expansion and PSBP at The Royal Liberty by July 2021.

To seek further capital improvement at Sanders School.

To raise student outcomes in all schools in the Trust and deliver on Trust vision and aims.

Funds held as custodian trustee on behalf of others

SFAET Ltd does not act as a Custodian Trustee on behalf of others.

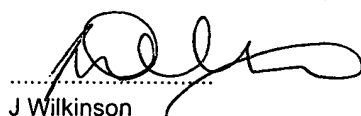
Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Wilkins Kennedy Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on18/12/19..... and signed on its behalf by:



J Wilkinson

Chair

SFAET LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between SFAET Limited 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 SFAET Limited Board of Trustees has formally Redden Court School met 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Beddoe (Resigned 27 February 2019)	5	6
T Scully (Resigned 17 September 2018)	9	10
J Wilkinson (Chair)	10	10
P Ward (Executive Headteacher and Accounting Officer)	10	10
A Stewart	4	6
P Kohli	4	8
Q Lennon	6	7
N Yeomans	10	10
D Rowlands (Appointed 10 July 2019)	1	1
I Semenyuk (Appointed 27 March 2019)	3	3

During 2018-19 efforts have continued to strengthen the Board - two new trustees were appointed and subsequent to the conclusion of the financial year a further two are in the process of being appointed - they will add skills and experience in the areas of Finance, Law, Strategic management and Human Resources. Similar work is in progress to further develop the Local Governing Bodies at each academy. It had been the intention to conduct a self-evaluation of the impact and effectiveness of the Board of Trustees during the year but this has been deferred until the spring of 2020 to give the opportunity for the newly appointed trustees to settle in to their roles.

Review of value for money

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

SFAET LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Multi-Academy Trust has delivered improved value for money during the year through:

- Collaboration of all schools within the Trust
- Shared CPD across all schools within the Trust
- Centralisation of Finance and HR services
- Business management Services provided to all schools within the Trust via central team.
- Consulting on the restructuring the faculties and Teaching and Learning Responsibility awards for these.
- Restructure of the Senior Leadership Team to take account of the MAT.
- Development of a Bring Your Own Device scheme where students are purchasing their own hardware which is embedded into the curriculum.
- Processes and contracts are continually reviewed and goods and services are tendered to ensure Financial Probity.
- All staff are aware of their responsibilities in ensuring value for money.
- Managing a Cover Supervisor Pool that has led to reduced cover costs and additional options.

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 SFAET Limited for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Multi- Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi- Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 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 Multi-Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Robert West as Responsible Officer. Mr West has an employment background with Coutts Bank and is also a Chair of Finance committee at a partner Primary School.

SFAET LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the Multi-Academy Trust's financial systems.

On a termly basis the Responsible Officer reports to the Board of Trustees, through the Full Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. The Responsible Officer has fulfilled the functions of his role and met with the School Business Manager and Assistant School Business Manager on a termly basis and conducted a number of checks to ensure Financial Probity. Outcomes from these reports are passed to the Business Manager and the Board of Directors. Checks include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing charge cards and petty cash systems
- testing information relating to contracts for goods and services
- checking aged creditor and debtor reports

Following these tests and checks the Responsible Officer drafts a report of outcomes that are issued to the Resources Committee. The Board of Trustees are satisfied that actions based on the finding of the Responsible Officer are taken and these findings add value to the internal controls that are in place and are monitored by the Resources Committee.

Review of effectiveness

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

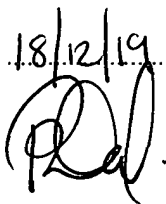
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 18/12/19 and signed on its behalf by:



J Wilkinson
Chair



P Ward
Executive Headteacher and Accounting Officer

SFAET LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

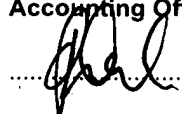
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

P Ward
Accounting Officer



19/12/19

SFAET LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of SFAET Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 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:

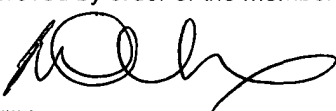
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 18/12/19 and signed on its behalf by:


J Wilkinson
Chair

SFAET LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SFAET LIMITED FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of SFAET Limited for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

SFAET LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SFAET LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including the incorporated 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 the knowledge and understanding of the Multi- Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

SFAET LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SFAET LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

Wilkins Kennedy Audit Services

**Mandy Wilson FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

19 December 2019
.....

Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

SFAET LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SFAET LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 12 September 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 SFAET Limited during the period 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 SFAET Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the SFAET Limited 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 SFAET Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of SFAET Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of SFAET Limited's funding agreement with the Secretary of State for Education dated 1 September 2011 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 period 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 Multi-Academy Trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SFAET LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SFAET LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

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

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Dated: *19 December 2019*

SFAET LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2019 £'000s	Total 2018 £'000s
Income and endowments from:						
Donations and capital grants	3	75	454	796	1,325	690
Donations - transfer from local authority on conversion	24	-	(640)	21,067	20,427	-
Charitable activities:						
- Funding for educational operations	4	-	13,205	-	13,205	8,596
Other trading activities	5	137	-	-	137	150
Investments	6	16	-	-	16	20
Total		<u>228</u>	<u>13,019</u>	<u>21,863</u>	<u>35,110</u>	<u>9,456</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	14,324	463	14,787	9,554
Total	7	<u>-</u>	<u>14,324</u>	<u>463</u>	<u>14,787</u>	<u>9,554</u>
Net income/(expenditure)		228	(1,305)	21,400	20,323	(98)
Transfers between funds	16	-	199	(199)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(1,296)	-	(1,296)	540
Net movement in funds		<u>228</u>	<u>(2,402)</u>	<u>21,201</u>	<u>19,027</u>	<u>442</u>
Reconciliation of funds						
Total funds brought forward		<u>680</u>	<u>(1,367)</u>	<u>25,715</u>	<u>25,028</u>	<u>24,586</u>
Total funds carried forward		<u>908</u>	<u>(3,769)</u>	<u>46,916</u>	<u>44,055</u>	<u>25,028</u>

SFAET LIMITED

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2018 £'000s
Income and endowments from:					
Donations and capital grants	3	24	247	419	690
Charitable activities:					
- Funding for educational operations	4	-	8,596	-	8,596
Other trading activities	5	150	-	-	150
Investments	6	20	-	-	20
Total		<u>194</u>	<u>8,843</u>	<u>419</u>	<u>9,456</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	9,301	253	9,554
Total	7	<u>-</u>	<u>9,301</u>	<u>253</u>	<u>9,554</u>
Net income/(expenditure)		194	(458)	166	(98)
Transfers between funds	16	-	184	(184)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	540	-	540
Net movement in funds		194	266	(18)	442
Reconciliation of funds					
Total funds brought forward		486	(1,633)	25,733	24,586
Total funds carried forward		<u>680</u>	<u>(1,367)</u>	<u>25,715</u>	<u>25,028</u>

SFAET LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible assets	12		46,473		25,542
Current assets					
Debtors	13	290		327	
Cash at bank and in hand		2,460		1,932	
		<u>2,750</u>		<u>2,259</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(615)		(586)	
Net current assets			<u>2,135</u>		<u>1,673</u>
Net assets excluding pension liability			<u>48,608</u>		<u>27,215</u>
Defined benefit pension scheme liability	18		(4,553)		(2,187)
Total net assets			<u>44,055</u>		<u>25,028</u>
Funds of the Multi- Academy Trust:					
Restricted funds	16				
- Fixed asset funds			46,916		25,715
- Restricted income funds			784		820
- Pension reserve			(4,553)		(2,187)
Total restricted funds			<u>43,147</u>		<u>24,348</u>
Unrestricted income funds	16		<u>908</u>		<u>680</u>
Total funds			<u>44,055</u>		<u>25,028</u>

The financial statements on pages 25 to 48 were approved by the Trustees and authorised for issue on 18/12/19 and are signed on their behalf by:


J Wilkinson
Chair

Company Number 07689980

SFAET LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000s	2018 £'000s
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	43	(224)
Cash flows from investing activities			
Dividends, interest and rents from investments		16	20
Capital grants from DfE Group		431	274
Capital funding received from sponsors and others		365	145
Purchase of tangible fixed assets		(327)	(252)
Net cash provided by investing activities		485	187
Net increase/(decrease) in cash and cash equivalents in the reporting period		528	(37)
Cash and cash equivalents at beginning of the year		1,932	1,969
Cash and cash equivalents at end of the year		2,460	1,932

SFAET LIMITED

NOTES TO THE ACCOUNTS

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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The financial statements of the Multi- Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

SFAET Limited 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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Multi- Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi- Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Conversion to an academy trust

Where assets and liabilities are received by the Multi- Academy Trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Multi- Academy Trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

1.4 Income

All incoming resources are recognised when the Multi- Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Multi- 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 Multi- Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi- Academy Trust apportioned to charitable activities.

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

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

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

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

Freehold land and buildings	50 years (land not depreciated)
Leasehold land and buildings	50 years (land not depreciated)
Assets under construct'n	Not depreciated
Computer equipment	3 years straight line
Motor vehicles	10 years straight line

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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Multi- 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.

Useful economic life of assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. These are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. See note 12 for the carrying amount of property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

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 18, 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 judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Capital grants	-	796	796	419
Other donations	75	454	529	271
	<u>75</u>	<u>1,250</u>	<u>1,325</u>	<u>690</u>

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	11,592	11,592	7,807
Other DfE group grants	-	844	844	406
	<u>-</u>	<u>12,436</u>	<u>12,436</u>	<u>8,213</u>
Other government grants				
Local authority grants	-	769	769	383
	<u>-</u>	<u>769</u>	<u>769</u>	<u>383</u>
Total funding	<u>-</u>	<u>13,205</u>	<u>13,205</u>	<u>8,596</u>

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Hire of facilities	137	-	137	150
	<u>137</u>	<u>-</u>	<u>137</u>	<u>150</u>

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Short term deposits	1	-	1	3
Other investment income	15	-	15	17
	<u>16</u>	<u>-</u>	<u>16</u>	<u>20</u>

7 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2019 £'000s	Total 2018 £'000s
Academy's educational operations					
- Direct costs	9,589	-	1,314	10,903	6,989
- Allocated support costs	1,837	1,423	624	3,884	2,565
	<u>11,426</u>	<u>1,423</u>	<u>1,938</u>	<u>14,787</u>	<u>9,554</u>

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure		(Continued)	
Net income/(expenditure) for the year includes:	2019	2018	
	£'000s	£'000s	
Fees payable to auditor for:			
- Audit	15	14	
- Other services	4	2	
Operating lease rentals	100	64	
Depreciation of tangible fixed assets	463	253	
Net interest on defined benefit pension liability	83	63	
	<u> </u>	<u> </u>	
8 Charitable activities	2019	2018	
	£'000s	£'000s	
All from restricted funds:			
Direct costs			
Educational operations	10,903	6,989	
Support costs			
Educational operations	3,884	2,565	
	<u>14,787</u>	<u>9,554</u>	
	<u> </u>	<u> </u>	
Analysis of costs	2019	2018	
	£'000s	£'000s	
Direct costs			
Teaching and educational support staff costs	9,589	6,189	
Staff development	55	43	
Technology costs	233	143	
Educational supplies and services	527	332	
Examination fees	146	84	
Other direct costs	353	198	
	<u>10,903</u>	<u>6,989</u>	
	<u> </u>	<u> </u>	
Support costs			
Support staff costs	1,837	1,147	
Depreciation	463	253	
Technology costs	100	48	
Maintenance of premises and equipment	960	639	
Catering	106	49	
Finance costs	83	63	
Other support costs	235	288	
Governance costs	100	78	
	<u>3,884</u>	<u>2,565</u>	
	<u> </u>	<u> </u>	

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000s	2018 £'000s
Wages and salaries	8,423	5,374
Social security costs	855	543
Pension costs	1,799	1,220
Amounts paid to employees	11,077	7,137
Agency staff costs	334	199
Staff restructuring costs	15	-
Amounts paid to staff	11,426	7,336
Staff development and other staff costs	55	43
Total staff expenditure	11,481	7,379
Staff restructuring costs comprise:		
Redundancy payments	15	-

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-contractual severance payment of £15k made to one person.

Staff numbers

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

	2019 Number	2018 Number
Teachers	126	96
Administration and support	150	80
Management	20	15
	296	191

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	8	6
£70,001 - £80,000	3	3
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>13</u>	<u>10</u>

Key management personnel

The key management personnel of the Multi- Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi- Academy Trust was £1,913,789 (2018 - £1,101,419).

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Multi- Academy Trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

P Ward (Headteacher and Accounting officer)

Remuneration £110,000 - £115,000 (2018: £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

During the year, no Trustees received reimbursement of expenses (2018: £nil)

11 Trustees and officers insurance

In accordance with normal commercial practice, the Multi- Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Multi- Academy Trust 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.

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Freehold land and buildings £'000s	Leasehold land and buildings £'000s	Leasehold improvements £'000s	Assets under construct'n £'000s	Computer equipment £'000s	Motor vehicles £'000s	Total £'000s
Cost							
At 1 September 2018	13,147	13,166	-	63	194	47	26,617
Transfer on conversion	21,067	-	-	-	-	-	21,067
Additions/ (Reclassification)	149	-	167	(63)	74	-	327
At 31 August 2019	34,363	13,166	167	-	268	47	48,011
Depreciation							
At 1 September 2018	222	675	-	-	147	31	1,075
Charge for the year	312	113	3	-	30	5	463
At 31 August 2019	534	788	3	-	177	36	1,538
Net book value							
At 31 August 2019	33,829	12,378	164	-	91	11	46,473
At 31 August 2018	12,924	12,490	-	63	47	17	25,542

Included in land and buildings is land at valuation of £26,361k (2018 - £15,300k) which is not being depreciated.

13 Debtors

	2019 £'000s	2018 £'000s
Trade debtors	16	16
VAT recoverable	74	20
Other debtors	4	83
Prepayments and accrued income	196	208
	<u>290</u>	<u>327</u>

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: amounts falling due within one year	2019 £'000s	2018 £'000s
Trade creditors	36	50
Other taxation and social security	209	148
Other creditors	180	123
Accruals and deferred income	190	265
	<u>615</u>	<u>586</u>
15 Deferred income	2019 £'000s	2018 £'000s
Deferred income is included within:		
Creditors due within one year	<u>103</u>	<u>147</u>
Deferred income at 1 September 2018	147	43
Released from previous years	(147)	(43)
Resources deferred in the year	<u>103</u>	<u>147</u>
Deferred income at 31 August 2019	<u><u>103</u></u>	<u><u>147</u></u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to school trips which are due to take place in 2018/19.

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
General Annual Grant (GAG)	716	11,592	(11,733)	199	774
Other DfE / ESFA grants	102	844	(946)	-	-
Other government grants	-	769	(769)	-	-
Other restricted funds	2	454	(446)	-	10
Pension reserve	(2,187)	(640)	(430)	(1,296)	(4,553)
	<u>(1,367)</u>	<u>13,019</u>	<u>(14,324)</u>	<u>(1,097)</u>	<u>(3,769)</u>
Restricted fixed asset funds					
Fixed asset fund	25,715	21,863	(463)	(199)	46,916
	<u>25,715</u>	<u>21,863</u>	<u>(463)</u>	<u>(199)</u>	<u>46,916</u>
Total restricted funds	<u>24,348</u>	<u>34,882</u>	<u>(14,787)</u>	<u>(1,296)</u>	<u>43,147</u>
Unrestricted funds					
General funds	680	228	-	-	908
	<u>680</u>	<u>228</u>	<u>-</u>	<u>-</u>	<u>908</u>
Total funds	<u>25,028</u>	<u>35,110</u>	<u>(14,787)</u>	<u>(1,296)</u>	<u>44,055</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward.

Other DfE/ESFA grants: This includes the pupil premium, Year 7 Catch up and role relief.

Other government grants: This includes Higher Needs funding and growth funding.

Other restricted funds: This includes donations and parental contributions for specific purposes.

The transfer of funds relates to the costs of repairs being funding by capital improvement schemes.

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	702	7,807	(7,977)	184	716
Other DfE / ESFA grants	58	406	(362)	-	102
Other government grants	-	383	(383)	-	-
Other restricted funds	-	247	(245)	-	2
Pension reserve	(2,393)	-	(334)	540	(2,187)
	<u>(1,633)</u>	<u>8,843</u>	<u>(9,301)</u>	<u>724</u>	<u>(1,367)</u>
Restricted fixed asset funds					
Fixed asset fund	25,733	419	(253)	(184)	25,715
	<u>25,733</u>	<u>419</u>	<u>(253)</u>	<u>(184)</u>	<u>25,715</u>
Total restricted funds	<u>24,100</u>	<u>9,262</u>	<u>(9,554)</u>	<u>540</u>	<u>24,348</u>
Unrestricted funds					
General funds	486	194	-	-	680
	<u>486</u>	<u>194</u>	<u>-</u>	<u>-</u>	<u>680</u>
Total funds	<u>24,586</u>	<u>9,456</u>	<u>(9,554)</u>	<u>540</u>	<u>25,028</u>

Total funds analysis by academy

	2019 £'000s	2018 £'000s
Fund balances at 31 August 2019 were allocated as follows:		
The Royal Liberty School	469	456
Redden Court School	924	1,044
Sanders School (From 01 September 2018)	299	-
Total before fixed assets fund and pension reserve	<u>1,692</u>	<u>1,500</u>
Restricted fixed asset fund	46,916	25,715
Pension reserve	(4,553)	(2,187)
Total funds	<u>44,055</u>	<u>25,028</u>

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000s	Other support staff costs £'000s	Educational supplies £'000s	Other costs excluding depreciation £'000s	Total 2019 £'000s	Total 2018 £'000s
The Royal Liberty School	2,534	453	193	709	3,889	3,406
Redden Court School	4,276	892	211	972	6,351	5,895
Sanders School (From 01 September 2018)	2,779	492	123	690	4,084	-
	<u>9,589</u>	<u>1,837</u>	<u>527</u>	<u>2,371</u>	<u>14,324</u>	<u>9,301</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	46,473	46,473
Current assets	908	1,399	443	2,750
Creditors falling due within one year	-	(615)	-	(615)
Defined benefit pension liability	-	(4,553)	-	(4,553)
Total net assets	<u>908</u>	<u>(3,769)</u>	<u>46,916</u>	<u>44,055</u>

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	25,542	25,542
Current assets	680	1,368	210	2,258
Creditors falling due within one year	-	(548)	(37)	(585)
Defined benefit pension liability	-	(2,187)	-	(2,187)
Total net assets	<u>680</u>	<u>(1,367)</u>	<u>25,715</u>	<u>25,028</u>

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

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

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

Contributions amounting to £180k (2018: £123k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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 Multi- Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Multi- Academy Trust has set out above the information available on the scheme.

The employer's pension costs paid to the TPS in the period amounted to £916k (2018: £589k).

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.86% for Redden Court School employers contributions and 25.26% for Royal Liberty School employers contributions.

As described in note 24 the LGPS obligation relates to the employees of the Multi- Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi- Academy Trust at the balance sheet date.

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

Total contributions made	2019 £'000s	2018 £'000s
Employer's contributions	544	360
Employees' contributions	138	94
Total contributions	682	454
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	21.1	22
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.2	23.9
- Females	24.8	26.3

Defined benefit pension scheme net liability

Scheme assets	6,038	4,202
Scheme obligations	(10,591)	(6,389)
Net liability	(4,553)	(2,187)

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

	2019 Fair value £'000s	2018 Fair value £'000s
Equities	3,140	2,185
Bonds	1,872	1,177
Cash	604	336
Property	422	504
Total market value of assets	6,038	4,202

The actual return on scheme assets was £395,000 (2018: £179,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000s	2018 £'000s
Current service cost	854	631
Past service cost	37	-
Interest income	(149)	(95)
Interest cost	232	158
Total operating charge	974	694

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2019 £'000s	2018 £'000s
At 1 September 2018	6,389	6,005
Obligations acquired on conversion	1,446	-
Current service cost	854	631
Interest cost	232	158
Employee contributions	138	94
Actuarial loss/(gain)	1,542	(456)
Benefits paid	(47)	(43)
Past service cost	37	-
At 31 August 2019	10,591	6,389

Changes in the fair value of the Multi- Academy Trust's share of scheme assets

	2019 £'000s	2018 £'000s
At 1 September 2018	4,202	3,612
Assets acquired on conversion	806	-
Interest income	149	95
Actuarial gain	246	84
Employer contributions	544	360
Employee contributions	138	94
Benefits paid	(47)	(43)
At 31 August 2019	6,038	4,202

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

	2019 £'000s	2018 £'000s
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	20,323	(98)
Adjusted for:		
Net surplus on conversion to academy	(20,427)	-
Capital grants from DfE and other capital income	(796)	(419)
Investment income receivable	(16)	(20)
Defined benefit pension costs less contributions payable	347	271
Defined benefit pension scheme finance cost	83	63
Depreciation of tangible fixed assets	463	253
Decrease/(increase) in debtors	37	(124)
Increase/(decrease) in creditors	29	(150)
Net cash provided by/(used in) operating activities	43	(224)

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Major non-cash transactions

The London Borough of Havering donated the land and buildings, fixed assets and deficit of Sanders School to the academy trust for nil consideration. For further details please see note 24.

21 Capital commitments

	2019 £'000s	2018 £'000s
Expenditure contracted for but not provided in the financial statements	302	190

22 Related party transactions

Owing to the nature of the Multi- Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Multi- Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Multi- Academy Trust's financial regulations and normal procurement procedures. There were no related party transactions that took place in the year.

23 Members' liability

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

24 Conversion to an academy

On 01 September 2018 the Sanders school converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SFAET Limited from the London Borough of Havering Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – 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.

Academy	Location	Date of conversion
Sanders School (From 01 September 2018)	Hornchurch	1 September 2018

	2019 £'000s
Net assets transferred:	
Pension scheme deficit	(640)

SFAET LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Conversion to an academy

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2019 £'000s
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	21,067	21,067
LGPS pension funds	-	(640)	-	(640)
	<u>-</u>	<u>(640)</u>	<u>21,067</u>	<u>20,427</u>

The land and buildings freehold has been transferred to the trust.