

Company Registration No. 11099763 (England and Wales)

SAIL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SAIL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Fillis Jack Hagan Andrew Chittenden	
Trustees	Paul Cadden William Duncan Paul Fillis (Chair of Trustees) (Resigned 9 July 2019) Carole McBride (Chair of Trustees from 9 July 2019) Kim O'Brien Edward Sullivan Julie Yates Karen Hutchings (Accounting Officer) James Taylor (Appointed 14 November 2019)	
Senior management team		
- Chief Executive/Accounting Officer/ Headteacher/Executive Headteacher	Karen Hutchings	
- Lead of Teaching, Learning & Standards	Kelly Ann Poulson	
- Lead of Personal Development, Behaviour & Welfare	Rob Povey	
- Lead of Business & Finance/Chief Accounting Officer	Jeanette Murphy (resigned on 20 September 2019) Andrew Whittle (appointed on 4 November 2019)	
- Assistant Headteacher	Mark Griffith (resigned 31 August 2018)	
Company registration number	11099763 (England and Wales)	
Principal and registered office	New Park Primary School 100 Boaler Street Liverpool L6 9EU United Kingdom	
Academies operated	Location	Principal
New Park Primary School	100 Boaler Street, Liverpool, L6 9EU	Karen Hutchings
Roscoe Primary School	Alison Road, Liverpool, L13 9AD	Karen Hutchings
Independent auditor	RSM UK Audit LLP 14th Floor 20 Chapel Street Liverpool L3 9AG	

SAIL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers	Lloyds Bank PLC 2-12 Lord Street Liverpool L2 1TS
----------------	--

Solicitors	Stone King LLP No 1 Aire Street Leeds LS1 4PR
-------------------	--

SAIL ACADEMY TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two primary academies for pupils aged 2-11 years serving a catchment area in Liverpool, Merseyside. New Park Primary has a pupil capacity of 489 and had a roll of 485 in the school census in Summer Term 2019. Roscoe Primary has a pupil capacity of 281 and had a roll of 267 in the school census in Summer Term 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

SAIL Academy Trust was incorporated on 6 December 2017. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as SAIL Academy Trust, which includes New Park Primary School and Roscoe Primary School. On 1 March 2018, New Park Primary School and Roscoe Primary School converted to academy status and all the operating activities, assets and liabilities were transferred to the charitable company.

The trustees of SAIL Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period, and to the date these financial statements are approved except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust has opted in to the Risk Protection Arrangement (RPA) provided by the Education and Skills Funding Agency to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst an academy business. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of trustees

The Academy Trust must not appoint any new or replacement trustees or members until it has first informed them, and they have agreed, that their names will be shared with Secretary of State to enable him to assess their suitability.

The academy trust will have at least three members. The members have the right to appoint additional members. Karen Hutchings, CEO of SAIL Academy Trust will nominate or appoint trustees. The appointed trustees have a four-year term of office.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

When appointing new trustees to SAIL Academy Trust, the members will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the trust's development.

All trustees will complete a Skills Audit and Training Needs Analysis. All new trustees will submit a comprehensive curriculum vitae and skills audit, which are used as a key part of the appointment process and to determine future training needs.

There is a trustee induction programme tailored to the individual and includes briefings by senior staff, tour of the schools to meet staff and children as well as being provided with the necessary papers for the fulfilment of the role.

All members and trustees have signed relevant appointment letters and their roles and responsibilities are set out in the role descriptors for trustees and the scheme of delegation.

Organisational structure

At the initial trustee meeting held at the start of the autumn term 2018, a scheme of delegation was reviewed and approved. This sets the structure of what decisions are reserved for the board of trustees, and those that are delegated to management, the role of the chief executive and/or principal, senior management team and other relevant individuals.

The Trustees will normally meet a minimum of three times per year. They have established an overall framework for the governance of the Trust and determined membership, terms of reference which will be reviewed whenever deemed necessary or annually as a minimum. The Trustee Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. At the initial trustees meeting it was decided that there would be two committees, the Resources Committee and the Standards committee.

The Resources Committee is responsible for:

- To consider the Academy Trust's indicative funding, notified annually by the Department for Education (DFE) and to assess its implications for the Academy Trust. This will be in consultation with the CEO/Headteacher and Business Managers of the Academy, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trust Board.
- To consider and recommend acceptance or non-acceptance of the Academy Trust budget each financial year.
- To contribute to the formulation of the Academy Trust's strategic plans, through the consideration of financial priorities and proposals, in consultation with the CEO/Headteacher and Business Manager and with the stated and agreed aims and objectives of the Academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year. This will include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Academies' strategic plans.
- To liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them. To consider the spending plans of other committees and report back and advise the Trust Board.
- To delegate the day to day management of the approved budget to the Headteacher, within agreed authorisation limits.
- To review financial policy including consideration of long-term planning and resourcing in accordance with each of the Academies' development plans.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the relevant Academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Trust Board.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and where appropriate make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Trust board to stakeholders and for filing in accordance with requirements of the Companies Act, Charity Commission and funding Agreement (including the Academies Financial Handbook).

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

- To receive reports from the headteacher on the management of assets including premises and their security.
- To ensure that the Academies premises are inspected on an annual basis and that a planned and costed statement of priorities is prepared and reviewed.
- To receive reports from the CEO/Headteacher about the staffing positions in the Academy.
- Reviewing or investigating any other matters referred to the Committee by the Trust Board.

The Standards Committee is responsible for:

- To consider and advise the Trustee and Governors on standards and others matters relating to the school's curriculum.
- To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant committees or the Board of Governors.
- To have regard for statutory obligations under the National Curriculum and associated documents.
- To monitor pupil progress and attainment through regular updates of the collation and analysis of both Teacher Assessment and Test data.
- To monitor the progress and achievement of specific of pupils including SEN, Pupil Premium, looked after children, more-able, English as an additional language, gender, ethnicity and FSM.
- To have regard for the Ofsted Common Inspection Framework.
- To develop an understanding of Teachers Standards.
- To review, after consultation, the relevant policies linked to Teaching and Learning and Assessment and school prospectus.
- To ensure the safeguarding of both pupils and staff is central to any decisions and actions that are made.

The following decisions are reserved for the Trustees:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive Officer (CEO) and Clerk to the Trustees, to approve the Development Plan and budget.
- The Trustees are responsible for setting general policy, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, its schools, capital expenditure and staff appointments.
- The Trustees devolved responsibility for day to day management of the Academy Trust to the CEO, Headteachers of the schools and the Financial Officer. The CEO is the Accounting Officer.

Organisational Structures – Schools' level

Each school within the Trust, has a leadership structure, which consists of a local Governing Body of elected and appointed Governors and a Senior Leadership Group. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Senior Leadership Team within each school, consists of a Headteacher, Deputy Headteacher, Business Manager, Assistant Headteachers, and Senior Teachers. The exact numbers at each school varies with the specific needs of that school. The Leadership Group controls the school at an executive level, implementing the policies laid down by the Trustees and Governors and reporting back to them. The Headteacher, Business Manager and Trustees are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to Budget Holders. Trustees are responsible for ensuring that high levels of teaching are upheld and that standards of achievement are monitored and evaluated.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Trustees review performance and remuneration. Performance targets and salaries for key trust personnel are agreed annually. Remuneration for key management personnel is reviewed as roles change. These arrangements are in place in both schools.

The Trustees consider the Board of trustees and the CEO and the Senior Leadership Team as comprising the key management personnel of the MAT in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year for their role as trustees. Details of related party transactions are disclosed in Note 24 to the accounts.

Trustees are required to disclose all relevant interests on an annual basis and as a standing agenda item at all board meetings, then in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Trade Union Facility time

The Trust had no members of staff who were relevant trade union officials during the period. Trade unions are however fully recognised, and the Trust paid £3,023 towards pooled funds for trade union facility time to the Local Authority "Central Shared Pot".

Related parties and co-operation with other organisations

There are no significant relationships with other organisations.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The principal objective of the charitable company is the operation of New Park Primary School and Roscoe Primary School, to provide education for pupils between the ages of 2-11 years. SAIL stands for Schools of Aspirational and Inclusive Learning. SAIL Academy Trust's aims are:

- To provide a first class education, promoting the highest of aspirations in every single pupil enabling them to achieve their potential.
- To ensure inclusivity and equality for all.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

SAIL ACADEMY TRUST CORE VALUES

SAIL Academy Trust is underpinned by the core values of Aspirational and Inclusive Learning; this is evident in 10 underlying principles of our Trust.

- We always put our 'Children First' in all that we do. We care deeply about them.
- We always aim for the highest standards; we want our children to achieve the best and to make the most progress.
- Our staff are practitioners of the highest quality who always strive to continually improve; we aim to always recruit personnel who share our passion, drive, determination and dedication to all of our children and families.
- Our culture and ethos is one where children thrive knowing that they are safe, loved and listened to.
- We foster a "can do" attitude where excuses are never tolerated. Good is never good enough as we are relentless in our pursuit of excellence.
- We aim to be at the heart of our local communities, our families own our schools.
- We go the extra mile for our children and their families; all barriers to learning are addressed through a range of in house services and provision, based on supporting their individual needs.
- We actively promote the intrinsic value of every child as well as an attitude of tolerance and inclusiveness.
- SAIL Academy Trust is committed to enriching the lives of all our children. Development of the whole child is paramount, opportunities are wide ranging, rich and available to all.
- Each individual school is unique; upon joining SAIL Academy Trust we expect each school to retain and develop their own unique character whilst sharing our core values.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives, Strategies and Activities

Here at SAIL Academy Trust, every member of staff is fully dedicated to ensuring that every single child makes the most progress that they can. Across the school, progress meetings are held on a termly cycle. The Leadership team along with the Pastoral Team and Class Teachers meet and look at every single child on an individual basis. We discuss their progress and set challenging targets. We identify and facilitate further support that children may need to reach their targets. This support is sometimes of an academic nature and may include interventions, additional support, homework club etc. Other times the support is of a pastoral nature and may include support from our wide-ranging pastoral team - Behaviour support, Mentoring, Psychotherapist etc. We constantly strive to ensure that any barriers to learning and progress are removed. Every individual is very important to us and our mission is to ensure that they are all able to make maximum progress. We are passionate about this.

In the year Trustees have continued to monitor the work and progress of the school by:

- Review of the planned initiatives as outlined in the School Development Plan (2018-19) for maintaining and improving the academic provision and achievement of the school and its pupils. The School Development plan consists of actions plans and subject leader reports from curriculum co-ordinators who focus on aspects of their area to improve and make progress in. The areas that this covers is:-
 - All curriculum areas
 - Assessment
 - Teaching and Learning
 - Pastoral Care
 - Spiritual, Moral, Social and Cultural
 - English as an Additional Language
 - Special Educational Needs
 - Behaviour
 - Extra Curricular
- Receiving regular updates on key aspects of school life:
 - Health and Safety
 - Safeguarding
 - Curriculum
 - Finance
 - Staffing

Capital Works and Grants

At the Roscoe site we are committed to upgrading the building to enhance the learning environment for the children on an on-going basis. During the 2018/19 financial year the academy trust was awarded Condition Improvement fund grant of £363,837 to fit new boilers and carry out boiler works. The work was completed for the start of the new autumn term. At the current period end all monies were spent and none carried forward.

Sail Academy Trust will be submitting further bids for CIF for:

- Roof
- Lighting
- Early years outdoor play area

Public benefit

The trustees complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The Academy Trust aims to advance for the public benefit, education in the Liverpool area by offering a broad curriculum within a fully inclusive environment.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

At SAIL Academy Trust, our Strategic Leadership Team shapes the direction of our Trust, establishing systems and processes in order to identify and eradicate barriers to learning in order to positively impact upon pupil achievement. This has taken place across the schools.

Results from the Academic Year 2018/2019 -

Strengths:

- Attainment in New Park Primary School has risen in Maths, Reading and Writing, both at the Expected and Exceeding Standard, at the end of KS2
- Attainment in New Park Primary School is above the National value in Maths and Reading, both at Expected and Exceeding Standard, at the end of KS2.
- Attainment in New Park Primary School is above or equal to the National value in Reading, Writing and Mathematics combined, both at Expected and Exceeding Standard, at the end of KS2.
- Attainment in New Park Primary School is above the Local Authority Value in Maths, both at Expected and Exceeding Standard, at the end of KS1.
- Attainment in Roscoe Primary School has risen in Maths and Grammar Punctuation and Spelling at both the Expected and Exceeding Standard at the end of KS2.
- Attainment in Roscoe Primary School has significantly risen in Writing at the Expected Standard at the end of KS2.
- Attainment in Roscoe Primary School has risen in Maths, Reading and Writing at the Expected Standard at the end of KS1.
- Attainment in Roscoe Primary School is above the Local Authority Value in Maths at Expected Standard at the end of KS1.
- Attainment in both schools has risen in Reading, Writing and Maths Combined at expected standard at the end of KS2.

Areas for development:

- Continuous improvement in attainment in all areas in both key stages at Roscoe Primary School to ensure that there are no significant differences when compared to the National or Local Authority value, particularly in Reading at Key Stage 2.
- Continuous improvement in reading and writing at the end of KS1 at New Park Primary School to be in line with the National/Local Authority Value.

The consolidation of Jane Considine, Singapore Maths and daily reading reasoning lessons will continue to help address areas which fall below National/Local Authority Values.

KS2 Analysis New Park (Cohort Analysis)

	2019	2018	2017
Number of children	61	58	62
Gender	Male -44% Female - 56%	Male - 59% Female - 41%	Male – 47% Female – 53%
Disadvantaged	49%	33%	58%
Ever 6FSM	62%	59%	73%
English Additional Language	39%	50%	45%
English First Language	61%	50%	55%
Special Education Needs	15%	10%	16%
Number of Looked After children	0	4	2
On roll in Y5 and Y6	93%	98%	92%

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

New Park Primary KS2 Attainment

Comparisons with Local & National data & Trends over time

Maths

Achieving the Expected Standard

- 87% of pupils achieved the Expected Standard in 2019, which is above the previous years value of 81%. The national value is 79%.

Exceeding the Expected Standard

- 30% of pupils Exceeded the Expected Standard in 2019 which is higher than previous year which was 24%. The national value is 27%.

Reading

Achieving the Expected Standard

- 80% of pupils achieved the Expected Standard in 2019, which is in line with the previous year, which was 78%. The national value is 73%.

Exceeding the Expected Standard

- 28% of pupils Exceeded the Expected Standard in 2019 which is higher than previous year which was 24%. The national value is 27%.

Writing

Achieving the Expected Standard

- 74% of pupils achieved the Expected Standard in 2019, which is in line with previous year, which was 72%. The national value is 78%.

Exceeding the Expected Standard

- 16% of pupils Exceeded the Expected Standard in 2019 which is identical to the previous year. The national value is 20%.

Grammar, Punctuation and Spelling (GPS)

Achieving the Expected Standard

- 79% of pupils achieved the Expected Standard in 2019, which is in line with previous year, which was 81%. The national value is 78%.

Exceeding the Expected Standard

- 21% of pupils Exceeded the Expected Standard in 2019 which is identical to the previous year. The national value is 36%.

Reading, Writing and Maths

Achieving the Expected Standard

- 74% of pupils achieved the Expected Standard in 2019, which is higher than the previous year of 69%. The national value is 65%.

Exceeding the Expected Standard

- 11% of pupils Exceeded the Expected Standard in 2019 which is in line with the previous year of 12%. The national value is 11%.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

New Park KS1 Analysis

Cohort Analysis

	2019	2018	2017
Number of children	61	59	59
Gender	Male - 46% Female - 54%	Male - 46% Female - 54%	Male - 56% Female - 44%
Disadvantaged	27%	54%	46%
FSM (6)	38%	54%	56%
English Additional Language	44%	51%	51%
English First Language	56%	49%	49%
Special Education Needs	5%	19%	14%
Number of Looked After children	1	2	0

New Park Primary KS1 Attainment

Comparisons with Local & National data & Trends over time

Maths

Achieving the Expected Standard

- 75% of pupils achieved the Expected Standard, which is identical to last year. The Local Authority value is 71%.

Exceeding the Expected Standard

- 20% of pupils exceeded the Expected Standard, which is above the previous year, which was 17%. The LA value is 18%.

Reading

Achieving the Expected Standard

- 67% of pupils achieved the Expected Standard, which is in line with last year, which was 68%. The LA value is 70%.

Exceeding the Expected Standard

- 10% of pupils exceeded the Expected Standard, which is in line with last year, which was 8%. The LA value is 21%.

Writing

Achieving the Expected Standard

- 51% of pupils achieved the Expected Standard, which has decreased in comparison to the previous year, which was 58%. The LA value is 64%.

Exceeding the Expected Standard

- 5% of pupils Exceeded the Expected Standard, which has decreased in comparison to the previous year, which was 10%. The LA value is 12%.

Reading, Writing and Maths

Achieving the Expected Standard

- 51% of pupils achieved the Expected Standard, which has decreased in comparison to the previous year, which was 56%. The LA value is 60%.

Exceeding the Expected Standard

- 3% of pupils exceeded the expected standard, which is in line with last year, which was 2%. The LA value is 9%.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

KS2 Analysis Roscoe Primary School

Cohort Analysis

	2019	2018	2017
Number of children	36	35	29
Gender	Male - 47% Female -53%	Male - 40% Female -60%	Male - 66% Female -34%
Disadvantaged	36%	40%	45%
Ever 6FSM	58%	63%	62%
English Additional Language	8%	17%	14%
English First Language	92%	83%	86%
Special Education Needs	14%	11%	21%
Number of Looked After children	0	0	0
On roll in Y5 and Y6	97%	89%	86%

Roscoe Primary KS2 Attainment

Comparisons with Local & National data & Trends over time

Maths

Achieving the Expected Standard

- 64% of pupils achieved the Expected Standard, which is a significant increase from last year, which was 34%. The national value is 79%.

Exceeding the Expected Standard

- 8% of pupils Exceeded the Expected Standard which is in line with last year which was 3%. The National value is 27%.

Reading

Achieving the Expected Standard

- 47% of pupils achieved the Expected Standard, which is line with last year which was 49%. The National value is 73%.

Exceeding the Expected Standard

- 17% of pupils Exceeded the Expected Standard which is identical to last year. The National value is 27%.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Writing

Achieving the Expected Standard

- 67% of pupils achieved the Expected Standard, which is significantly higher than last year, which was 43%. The National value is 78%.

Exceeding the Expected Standard

- 8% of pupils Exceeded the Expected Standard which is in line with last year which was 11%. The National value is 20%.

Grammar, Punctuation and Spelling (GPS)

Achieving the Expected Standard

- 53% of pupils achieved the Expected Standard, which is above last year which was 49%. The National value is 78%.

Exceeding the Expected Standard

- 17% of pupils Exceeded the Expected Standard which is an improvement from last year which was 6%. The National value is 36%.

Reading, Writing and Maths

Achieving the Expected Standard

- 44% of pupils achieved the Expected Standard in 2019, which is above last year which was 20%. The National value is 65%.

Exceeding the Expected Standard

- 0% of pupils Exceeded the Expected Standard in 2019 which is in line with last year which was 3%. The National value is 11%.

Roscoe KS1 Analysis

Cohort Analysis

	2019	2018	2017
Number of children	28	28	25
Gender	Male - 54% Female - 46%	Male - 36% Female - 64%	Male - 56% Female - 44%
Disadvantaged	25%	36%	28%
FSM (6)	36%	43%	36%
English Additional Language	18%	4%	40%
English First Language	82%	96%	60%
Special Education Needs	18%	11%	12%
Number of Looked After children	0	1	0

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Roscoe Primary KS1 Attainment

Comparisons with Local & National data & Trends over time

Maths

Achieving the Expected Standard

- 75% of pupils achieved the Expected Standard, which is an improvement from last year which was 57%. The LA value is 71%.

Exceeding the Expected Standard

- 7% of pupils exceeded the Expected Standard, which has decreased in comparison to the previous year which was 11%. The LA value is 18%.

Reading

Achieving the Expected Standard

- 64% of pupils achieved the Expected Standard, which is above last year which was 50%. The LA value is 70%.

Exceeding the Expected Standard

- 4% of pupils Exceeded the Expected Standard which has decreased in comparison to the previous year which was 11%. The LA value is 21%.

Writing

Achieving the Expected Standard

- 50% of pupils achieved the Expected Standard, which is above last year which was 46%. The LA value is 64%, exceeding the Expected Standard

Exceeding the Expected Standard

- 7% of pupils Exceeded the Expected Standard which has decreased in comparison to the previous year which was 11%. The LA value is 12%.

Reading, Writing and Maths

Achieving the Expected Standard

- 43% of pupils achieved the Expected Standard, which is in line with last year which was 46%. The LA value is 60%.

Exceeding the Expected Standard

- 0% of pupils Exceeded the Expected Standard which has decreased in comparison to the previous year which was 7%. The LA value is 9%.

OFSTED

At the last Ofsted in 2015, New Park Primary was graded Outstanding. Roscoe Primary School was last seen by Ofsted in 2013 and their grading was Good.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

The main financial performance indicator is the level of reserves held against the balance sheet date. In particular the management of spending against General Annual Grant (GAG). It is the Trust's management policy that in general terms the income received in any one year is spent for the benefit of those children in the schools that year. As funding is based on pupil numbers this is also a key performance indicator. New Park Primary is currently at 96% capacity and Roscoe Primary is at 88% capacity. Roscoe numbers rose in the 18/19 Academic Year and their capacity was at 95% by the end of the Summer term. This is an increase from the capacity of 86% at the end of the previous academic year.

Trustees also consider KS1 and KS2 results, as discussed within the Achievements and Performance section to be key performance indicators.

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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Trustees have reviewed and approved budgets and cash flow forecasts for the period to 31 August 2020 and beyond, which show the Academy Trust is expecting surpluses in the 19/20 and 20/21 year with positive cash balances expected for the entire forecast period.

Financial review

Most of the Trust income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted for a particular purpose. These grants received from the DfE during the year to 31 August 2019 and the associated expenditure are shown in the Restricted Funds in the Statement of the Financial Activities on page 27.

During the period ending 31 August 2019 total expenditure £5,138k (2018: £2,560k) was covered by a total income £4,712k (2018: £12,239k) including additional Capital grants for Condition Improvement Funding for Roscoe Primary School for £364k. The results for the comparative period were for a six month period.

Net Assets on the balance sheet at 31 August 2019 were £8,484k (2018: £9,783k) after accounting for the local government pension scheme deficits of £3,793k (2018: £2,613k). The vast majority of movement in the pension scheme assets is attributable to Actuarial assumptions/losses and these have no direct impact. Net cash flow from operating activities was £457k (2018: £48k) and cash balance £252k (2018: £216k).

The land and buildings were transferred to the Academy upon conversion in March 2018. Land and buildings were professionally valued at the time. Other assets have been included in the financial statements at a best estimate taking into account purchase price and remaining useful lives.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. These assets have been used exclusively for providing education and the associated support services to the children in each school in the Academy.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and Risk management objectives and policies

Key financial policies that have been adopted include the Financial Handbook which lays out the framework for financial management, including the financial responsibilities of the Trustees, CEO, Head teacher, Academy Trust Chief Finance Officer, Finance Manager, budget holders and other staff as well as delegated responsibility for spending. Policies adopted include the Financial Procedures Manual, Procurement and Tendering Policy, Remuneration Policies and Redundancy Policy. All financial policies are reviewed in line with the MAT structure to ensure consistency with each school in the MAT.

A risk register is in place and is reviewed annually by the Board of Trustees. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks.

The nature of the Academy Trust is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors with limited trade (and other) debtors. The Trustees consider its exposure to financial instruments to be minimal and such information is not material to an assessment of the Trust's assets, liabilities and financial position or results.

The Trustees recognise that the defined benefit scheme deficit represents a significant potential liability. However as the Trustees consider the Academy Trust is able to meet its known annual contributions for the foreseeable future, the risk is minimised.

Reserves Policy

The Trustees review the reserve levels of the MAT annually. This review encompasses as the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust and its schools, the uncertainty over future income streams and other key risks (such as pupil numbers). The amount of total funds at 31 August 2019 are £8,484k (2018: £9,783k) which are all restricted funds not available for general purposes of the Academy Trust. During this period the Trust had a nil value of free reserves. Trustees will look to establish an appropriate level of free reserves. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In the absence of free reserves the need for day to day working capital is met by careful management of the bank balance.

Investment policy

Due to the nature of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. SAIL academy trust has an investment policy where Trustees must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the school's long and short-term financial commitments as well as its expected income. No funds were invested or held on deposit during the period.

Plans for future periods

The Academy's plan for the upcoming year is to work towards the aims and objectives as stated earlier in the report. Further bids for CIF grants will be submitted for Roof work, Lighting and the Early Years Outdoor play area.

The Academy Trust will also continue to strive to improve the levels of performance of its students at all levels and will continue to ensure that the students make a smooth and successful transition into secondary education. We are currently in the process of designing and implementing new systems for rigorous checks and strategic improvement in relation to the most recent of changes to the OFSTED framework. These systems will provide all leaders and practitioners in school with the tools required to make accurate judgements with rigour and then use these judgements to plan strategically for continuous improvements towards excellence. The areas included are:

- Curriculum
- Standards
- Teaching and Learning
- Reading
- Behaviour and Attitudes to Learning
- Inclusion

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trustees are responsible for the management of the risks that schools are exposed to and have overall responsibility for effective and appropriate systems of control.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances. The Trustees have implemented a system to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety and safeguarding) and in relation to control of finance. They maintain systems including operational procedures and internal financial controls in order to minimise risk.

The principal risk factors that may affect the Academy are outlined below. Not all factors are within the Academy's control.

Government funding

The Academy Trust has considerable reliance on continued government funding through the ESFA. During the year to 31 August 2019, most of the Academy Trust's revenue was public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The risk is mitigated by:

- ensuring the Academy Trust is rigorous in delivering high quality education
- focusing on maintaining and managing key relationships with the ESFA

Pupil roll

The planned capacity of the Academy Trust is 770 in the age range up to 2-11 years. New Park Primary School had a full pupil roll of 485 while Roscoe Primary School had a pupil roll of 267. There was a consultation period in the Spring Term for Wraparound places to be introduced at Roscoe Primary School in the Nursery provision. This was agreed and the wraparound places have been offered to parents with a September 2019 start date.

Reputation

The success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Safeguarding and Child Protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Brexit

The uncertainty of Brexit may have an impact on the culture and diversity of the children in SAIL Academy Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust does not hold funds on behalf of others.

SAIL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 18/12/19 and signed on its behalf by:



Carole McBride
Chair of Trustees

SAIL ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement Of Trustees' Responsibilities.

During the period there has been five formal meetings for Trustees and one meeting for the Members of the Trust. Attendance during the year at meetings of the Board of Trustees was as follows:

Name	Title	2018/19 Meeting Attendance
Paul Fillis	Trustee and Member (Chair of Trust)	6/6
Jack Hagan	Member	0/1
Andrew Chittenden	Member	1/1
Paul Cadden	Trustee (Vice Chair of Trust)	4/5
Carol McBride	Trustee	5/5
Julie Yates	Trustee	1/5
Kim O'Brien	Trustee	2/5
Ian Duncan	Trustee	0/5
Eddie Sullivan	Trustee	3/5
Karen Hutchings	Trustee, CEO and CAO	5/5

During the period the Board reviewed and approved the core values of the trust and discussed how they will be embedded throughout SAIL Academy. The main work of the board this year was to ensure that all key financial policies and procedures were adopted and put into place at both schools in the academy. Data is shared with the board and gives trustees enough information to provide challenging questions for the Leadership team and the CEO.

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial administration of the Trust to ensure efficient and effective use of funds in accordance with regulations by discussion, review and challenge at its meetings. This year there has been no separate meetings held.

After the review of a first year as a Trust, the resources committee and standards committee have met as a whole governing body. This was after discussion with the Trustees and a review of how they would like the meetings to be run at the start of the academic year.

SAIL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

SAIL Academy Trust carry out annual reviews of its governance which will include an assessment of its own effectiveness. As part of this discussion the CEO and Chair discussed the role of the Chair moving forward and as of July 2019 he indicated that he would step down from the Board of Trustees. Carole McBride was appointed new Chair of Trust. Effective oversight was maintained by weekly meetings between the CEO and Chair of Trust. During the upcoming year the academy trust will review the skills base of the board and members.

Review of value for money

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

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

The accounting officer for the academy trust has improved value for money by:

- Concentrating on the quality of teaching and learning throughout the trust, with this being led by recognised practitioners at each key stage. This outcome can be seen in the improved and maintained SATs results across both schools in the academy.
- Having internal controls in place to ensure that all ordering is signed off by the headteacher and the deputy headteacher.
- A scheme of delegation is in place and is reviewed annually by the board.

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 SAIL 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 SAIL Academy Trust 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 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.

SAIL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- 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

In the period to 31 August 2019, the accounting officer has carried out a number checks including:

- all staff in the finance team are given the Financial Procedures Manual, Whistleblowing Policy, Fraud Protection and Response and Procurement and Tendering Policy
- the Chair of Trust, Paul Fillis met with the Accounting Officer on a weekly basis
- the Headteacher and Deputy Headteacher authorise all spending across the Academy Trust
- a financial system of authorisation has been put in place

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed RSM Risk Assurance Services LLP to perform additional checks. RSM Risk Assurance Services LLP reports to the governing body on the operations of the system of control and on the discharge of the governing body's financial responsibilities. The work undertaken has been in accordance with the requirements of the financial regulations.

During the period the Trustees received a report of the work carried out and the following material control issues were identified:

- A consistent approach needs to be in place to ensure the same level of information is captured for all risks in the registers. The action taken from this was a risk strategy/policy will be documented, which will include a risk scoring matrix, the Trust's risk appetite and a description of the overall approach to risk management.
- Quotations for purchases are required to be obtained as stated by the Trust's Financial Procedures Manual. The action taken to remedy this is now order forms will be signed as reviewed by the Head Teacher and Deputy Headteacher prior to an order being placed and an invoice being paid. Copies of all order documentation, including cheques, will be retained on file.

Review of effectiveness

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

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

SAIL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the board of trustees on ...18/12/19... and signed on its behalf by:


Carole McBride
Chair of Trustees


Karen Hutchings
Accounting Officer

SAIL ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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



Karen Hutchings
Accounting Officer

18.12.19

SAIL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of SAIL Academy Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

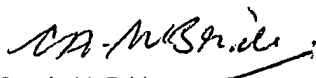
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



Carole McBride
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAIL ACADEMY TRUST

Opinion

We have audited the financial statements of SAIL Academy Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including Income and Expenditure Account), 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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 Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' 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 set out on page 24, the trustees (who act as trustees for the charitable activities of the charitable company and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable 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.

RSM UK Audit LLP

John Guest (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

18 December 2019

SAIL ACADEMY TRUST


STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	4	-	11	409	420	312
Donations - transfer from local authority on conversion		-	-	-	-	9,796
Charitable activities:						
- Funding for educational operations	5	-	4,102	-	4,102	2,008
Other trading activities	6	-	190	-	190	123
Total		-	4,303	409	4,712	12,239
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	4,644	494	5,138	2,560
Total	7	-	4,644	494	5,138	2,560
Net income/(expenditure)		-	(341)	(85)	(426)	9,679
Transfers between funds	17	-	46	(46)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(873)	-	(873)	104
Net movement in funds		-	(1,168)	(131)	(1,299)	9,783
Reconciliation of funds						
Total funds brought forward		-	(2,552)	12,335	9,783	-
Total funds carried forward		-	(3,720)	12,204	8,484	9,783

SAIL ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2019**

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		12,204		12,076
Current assets					
Debtors	14	444		259	
Cash at bank and in hand		252		216	
		696		475	
Current liabilities					
Creditors: amounts falling due within one year	15	(623)		(155)	
Net current assets			73		320
Net assets excluding pension liability			12,277		12,396
Defined benefit pension scheme liability	23		(3,793)		(2,613)
Total net assets			8,484		9,783
Funds of the academy trust:					
Restricted funds	17				
- Restricted fixed asset funds			12,204		12,335
- Restricted income funds			73		61
- Pension reserve			(3,793)		(2,613)
Total restricted funds			8,484		9,783
Unrestricted income funds	17		-		-
Total funds			8,484		9,783

The financial statements on pages 27 to 49 were approved by the board of trustees and authorised for issue on 18/12/19 and are signed on their behalf by:



 Carole McBride
 Chair of Trustees from 9 July 2019

SAIL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	457	47
Cash funds transferred on conversion		-	1
		<u>457</u>	<u>48</u>
Cash flows from investing activities			
Capital grants from DfE Group		201	201
Purchase of tangible fixed assets		<u>(622)</u>	<u>(33)</u>
Net cash (used in)/provided by investing activities		<u>(421)</u>	<u>168</u>
Net increase in cash and cash equivalents in the reporting period		<u>36</u>	<u>216</u>
Cash and cash equivalents at beginning of the year		<u>216</u>	<u>-</u>
Cash and cash equivalents at end of the year		<u><u>252</u></u>	<u><u>216</u></u>

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

General information

SAIL Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

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

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. Trustees have reviewed and approved budgets and cashflow forecasts for the period to 31 August 2020 and beyond, which show the Academy Trust is expecting surpluses in the 19/20 and 20/21 years with positive cash balances expected for the entire forecast period. Based on this, Trustees have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Capital grants are recognised when there is entitlement, when performance related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund.

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Where services have been provided to the Academy Trust for no charge, an estimate of the amount the Academy Trust would otherwise have had to pay for such services at market value has been made and included within Donations.

Donated fixed assets

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

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.

Charitable activities

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

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold Land and buildings	2-5% straight line
Assets in the course of construction	Not depreciated
Computer equipment	25% straight line
Fixtures, fittings and equipment	25% straight line

Assets in the course of construction are not depreciated until such time as the asset to which they relate becomes available for use.

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

Liabilities

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

Leased assets

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

Financial instruments

The academy trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

SAIL ACADEMY TRUST

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

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

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

Termination Benefits

Termination benefits are recognised immediately as an expense when there is a clear decision or commitment to terminate the employment or provide such termination benefits.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Additional assumptions have been made this year surrounding the outcome of the McCloud judgement and the impact this has had on the pension liability. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability, which is valued at £3,793k at 31 August 2019.

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

3 Comparative information

Period ended 31 August 2018	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Income and endowments from:				
Donations and capital grants	-	4	308	312
Donations - transfer from local authority on conversion	-	(2,517)	12,313	9,796
Charitable activities:				
- Funding for educational operations	-	2,008	-	2,008
Other trading activities	-	123	-	123
Total	-	(382)	12,621	12,239
Expenditure on:				
Charitable activities:				
- Educational operations	-	2,290	270	2,560
Total	-	2,290	270	2,560
Net income/(expenditure)	-	(2,672)	12,351	9,679
Transfers between funds	-	16	(16)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	104	-	104
Net movement in funds	-	(2,552)	12,335	9,783

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	409	409	308
Other donations	-	11	11	4
	-	420	420	312

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	3,282	3,282	1,665
Other DfE group grants	-	445	445	162
	<u>-</u>	<u>3,727</u>	<u>3,727</u>	<u>1,827</u>
Other government grants				
Local authority grants	-	369	369	155
Special educational projects	-	-	-	23
	<u>-</u>	<u>369</u>	<u>369</u>	<u>178</u>
Other incoming resources	-	6	6	3
	<u>-</u>	<u>4,102</u>	<u>4,102</u>	<u>2,008</u>

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
School trips	-	32	32	10
Other income	-	158	158	113
	<u>-</u>	<u>190</u>	<u>190</u>	<u>123</u>

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	1,412	494	255	2,161	1,151
- Allocated support costs	2,311	261	405	2,977	1,409
	<u>3,723</u>	<u>755</u>	<u>660</u>	<u>5,138</u>	<u>2,560</u>

SAIL ACADEMY TRUST

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

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2019 £'000	2018 £'000
Operating lease rentals	42	24
Depreciation of tangible fixed assets	494	270
Net interest on defined benefit pension liability	70	37
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	21	13
- Other services	9	6
- Accountancy	3	3
	<u> </u>	<u> </u>

Included within other services is internal audit costs of £4k (2018: £nil), audit related assurance costs of £3k (2018: £3k) and other non-audit costs of £2k (2018: £3k).

8 Charitable activities

All from restricted funds:	2019 £'000	2018 £'000
Direct costs		
Educational operations	2,161	1,151
Support costs		
Educational operations	2,977	1,409
	<u> </u>	<u> </u>
	5,138	2,560
	<u> </u>	<u> </u>

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	2,311	1,031
Technology costs	46	31
Premises costs	261	143
Other support costs	308	156
Governance costs	51	48
	<u> </u>	<u> </u>
	2,977	1,409
	<u> </u>	<u> </u>

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	2,712	1,340
Social security costs	252	123
Pension costs	743	284
Staff costs - employed	3,707	1,747
Agency staff costs	10	19
Staff restructuring costs	6	11
Total staff expenditure	3,723	1,777

Staff restructuring costs comprise:

Severance payments	6	11
--------------------	---	----

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year. Included in staff restructuring costs are non-statutory/non-contracted severance payments totalling £6k to one individual (2018: £11k).

Staff numbers

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

	2019 Number	2018 Number
Teachers	26	26
Administration and support	80	94
Management	4	4
	110	124

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£150,001 - £160,000	1	-

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £38,845 (2018: £21,004).

The prior year disclosure reflects the 6 month trading period, with salaries pro-rated accordingly.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £456,883 (2018: £310,693).

10 Central services

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

11 Trustees' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment not in respect of their services as governors. Other trustees did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Headteacher's remuneration included within the Trust were £155,359 (2018: £74,536) for the year ended 31 August 2019 and they are accruing retirement benefits under the TPS. The contributions paid in the year amounted to £25,603 (2018: £21,004). Staff governors are not trustees of the charitable trust.

No trustees were reimbursed for expenses during the year.

12 Trustees and officers insurance

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

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold Land and buildings £'000	Assets in the course of construction £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 September 2018	12,219	33	59	35	12,346
Transfer	291	(291)	-	-	-
Additions	357	258	-	7	622
	<u>12,867</u>	<u>-</u>	<u>59</u>	<u>42</u>	<u>12,968</u>
Depreciation					
At 1 September 2018	235	-	21	14	270
Charge for the year	470	-	15	9	494
	<u>705</u>	<u>-</u>	<u>36</u>	<u>23</u>	<u>764</u>
Net book value					
At 31 August 2019	12,162	-	23	19	12,204
At 31 August 2018	<u>11,984</u>	<u>33</u>	<u>38</u>	<u>21</u>	<u>12,076</u>

The leasehold land and building transferred on conversion relates to the leasehold land and buildings brought in at valuation from New Park Primary School and Roscoe Primary School transferred into the Trust on 1 March 2018. The valuation was carried out on this date by Kenneth Kasambara a Qualified Property Consultant. The basis of valuation used was Depreciated Replacement Cost.

Liverpool City Council owns the land and buildings from which the Academy Trust operates. On conversion, the Academy Trust entered into a 125 year lease for the school land and buildings from Liverpool City Council. The terms of this agreement transfers substantially all of the risks and rewards of ownership of the land and buildings to the Academy Trust and consequently the assets are recognised as a fixed asset.

Included within leasehold land and buildings is land valued at £1,271,271 which is depreciated over the term of the 125 year lease agreement.

14 Debtors	2019 £'000	2018 £'000
VAT recoverable	110	56
Other debtors	-	90
Prepayments and accrued income	334	113
	<u>444</u>	<u>259</u>

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Creditors: amounts falling due within one year			2019	2018
				£'000	£'000
	Trade creditors			454	3
	Other taxation and social security			104	104
	Other creditors			1	2
	Accruals and deferred income			64	46
				<u>623</u>	<u>155</u>
16	Financial instruments			2019	2018
				£'000	£'000
	Carrying amount of financial assets				
	Debt instruments measured at amortised cost			315	240
				<u>315</u>	<u>240</u>
	Carrying amount of financial liabilities				
	Measured at amortised cost			519	93
				<u>519</u>	<u>93</u>
17	Funds				
		Balance at		Gains,	Balance at
		1 September		losses and	31 August
		2018	Income	transfers	2019
		£'000	£'000	£'000	£'000
	Restricted general funds				
	General Annual Grant (GAG)	60	3,282	(3,342)	-
	Other DfE / ESFA grants	-	445	(445)	-
	Other government grants	-	369	(369)	-
	Other restricted funds	1	207	(181)	73
	Pension reserve	(2,613)	-	(873)	(3,793)
		<u>(2,552)</u>	<u>4,303</u>	<u>(827)</u>	<u>(3,720)</u>
	Restricted fixed asset funds				
	Inherited on conversion	12,043	-	-	11,549
	DfE group capital grants	292	409	(46)	655
		<u>12,335</u>	<u>409</u>	<u>(46)</u>	<u>12,204</u>
	Total restricted funds	<u>9,783</u>	<u>4,712</u>	<u>(873)</u>	<u>8,484</u>
	Unrestricted funds	-	-	-	-
	Total funds	<u>9,783</u>	<u>4,712</u>	<u>(873)</u>	<u>8,484</u>

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds (Continued)

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

a) Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education and Skills Funding Agency (ESFA).

Other DfE/ESFA grants are grants received from the DfE/ESFA which can only be utilised for the purpose intended. Other funds generated by the Academy include specific donations.

The Pension reserve is the deficit in the Local Government Pension Scheme.

b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants. There has been a transfer of £46k to the restricted general fund to reflect income received spent on revenue expenditure.

Funds prior year

	Balance at 6 December 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,665	(1,621)	16	60
Other DfE / ESFA grants	-	162	(162)	-	-
Other government grants	-	178	(178)	-	-
Other restricted funds	-	221	(220)	-	1
Pension reserve	-	(2,608)	(109)	104	(2,613)
	-	(382)	(2,290)	120	(2,552)
Restricted fixed asset funds					
Transfer on conversion	-	12,313	(270)	-	12,043
DfE group capital grants	-	308	-	(16)	292
	-	12,621	(270)	(16)	12,335
Total restricted funds	-	12,239	(2,560)	104	9,783
Unrestricted funds	-	-	-	-	-
Total funds	-	12,239	(2,560)	104	9,783

SAIL ACADEMY TRUST

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

17 Funds (Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
New Park Primary School	(234)	(6)
Roscoe Primary School	343	60
Central services	(36)	7
Total before fixed assets fund and pension reserve	73	61
Restricted fixed asset fund	12,204	12,335
Pension reserve	(3,793)	(2,613)
Total funds	8,484	9,783

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
New Park Primary School	114	2,662	92	522	3,390	1,579
Roscoe Primary School	33	915	33	230	1,211	715
Central services	-	-	-	43	43	65
	147	3,577	125	795	4,644	2,359

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	12,204	12,204
Current assets	-	381	315	696
Creditors falling due within one year	-	(308)	(315)	(623)
Defined benefit pension liability	-	(3,793)	-	(3,793)
Total net assets	-	(3,720)	12,204	8,484

SAIL ACADEMY TRUST

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

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	12,076	12,076
Current assets	-	216	259	475
Creditors falling due within one year	-	(155)	-	(155)
Defined benefit pension liability	-	(2,613)	-	(2,613)
Total net assets	-	(2,552)	12,335	9,783

19 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the financial statements	-	259

20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	24	38
Amounts due between one and five years	37	61
	61	99

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £'000	2018 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(426)	9,679
Adjusted for:		
Net surplus on conversion to academy	-	(9,796)
Capital grants from DfE and other capital income	(409)	(308)
Defined benefit pension scheme costs less contributions payable	237	72
Defined benefit pension scheme finance cost	70	37
Depreciation of tangible fixed assets	494	270
Movements in working capital:		
Decrease/(increase) in debtors	23	(152)
Increase in creditors	468	155
Stocks, debtors and creditors transferred on conversion	-	90
Net cash provided by operating activities	457	47

22 Members' liability

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

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and of the LGPS 31 March 2016.

Contributions amounting to £43,140 (2018: £43,849) were payable to the schemes as at 31 August 2019 and are included in other tax and social security within creditors.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £165,888 (2018: £97,726).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

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 12.2% for employers and 5.42% for employees.

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	323	135
Employees' contributions	84	15
Total contributions	<u>407</u>	<u>150</u>

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.55	3.65
Rate of increase for pensions in payment/inflation	2.15	2.25
Discount rate for scheme liabilities	1.80	2.85
Inflation assumption (CPI)	2.05	2.15

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	22.2	22
- Females	25	24.8
Retiring in 20 years		
- Males	25.2	25
- Females	27.9	27.8

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	279	96
Bonds	86	29
Cash	17	6
Property	49	17
Other assets	114	39
Total fair value of assets	545	187

The actual return on scheme assets was £17,000 (2018: £-).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	407	207
Net interest cost	70	37
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	153	-
Total operating charge	630	244

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	2,800
Current service cost	407
Interest cost	80
Employee contributions	84
Actuarial loss/(gain)	882
Benefits paid	(61)
Losses on curtailment	6
Past service cost	140
At 31 August 2019	4,338

Changes in the fair value of the academy trust's share of scheme assets	2019 £'000
At 1 September 2018	187
Interest income	10
Return on plan assets (excluding net interest on the net defined pension liability)	9
Employer contributions	323
Employee contributions	84
Benefits paid	(61)
Administration expenses	(7)
At 31 August 2019	545

Included within the above an adjustment has been made to reflect the outcome of the McCloud judgement. The assumptions used by the actuary are Roscoe Primary: 1.47% and New Park Primary: 3.98% of active member liabilities for the additional past service liabilities and Roscoe Primary: 0.8% and New Park Primary: 2.3% of the active membership pensionable payroll for the additional projected service cost for the year commencing 1 September 2019.

SAIL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Related party transactions

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year the then Chair of Trustees provided his services to undertake the role of safeguarding officer for the Academy Trust. He received remuneration of £13,500 in the year, £3,750 of which was in relation to services provided in the prior period, which were previously donated free of charge, and £9,750 for services provided in the year to 31 August 2019. An amount of £8,750 remains unpaid and is included within trade creditors at the year end. These payments were approved by the Board of Trustees after seeking appropriate legal advice. In entering this transaction the Trust has complied with the requirements of the Academies Financial Handbook 2018. In the prior year, his time was donated free of charge, with the value of services provided in the period to 31 August 2018 amounting to £3,750. This was included in donations and a corresponding expense included within charitable expenditure in the prior year. Paul Fillis stepped down as Chair and resigned as Trustee on 9 July 2019.