

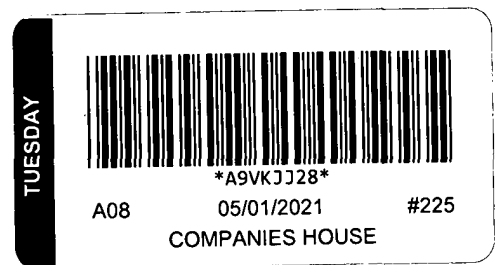
Registration number: 07984221

SAGE MULTI ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



SaGe Multi Academy Trust

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SaGe Multi Academy Trust

Reference and Administrative Details

Members	Venerable Stuart Bain, Representative of Bishop of Durham Reverend Adrian Thorp, Incumbent Appointee of Diocese of Durham Educational Trust Richard Thorndyke, Diocesan Board of Finance Ann Williams, Chair Board of Trustees Representative of Diocese of Durham Educational Trust Paul Rickeard (appointed 1 March 2020) Liane Atkin (appointed 1 March 2020)
Trustees (Directors)	Ann Williams, F&GP, S&P (Chair Board of Trustees) Rodger Sansom, F&GP (Vice Chair of the Board of Trustees) Janine Gleeson, F&GP, S&P (Head Teacher & Accounting Officer) Joanna Morrison, S&P (Vice Chair S&P) (resigned 14 October 2020) Dominic Vizzard, F&GP Alyson Gerner, F&GP (Chair of F&GP) (appointed 23 September 2019) Valerie Cadd, S&P (Chair of S&P) (appointed 1 March 2020) Christine Marsh, F&GP (appointed 1 March 2020) Jean Fletcher, F&GP, S&P (resigned 29 February 2020) Adrian Clarke, S&P (resigned 29 February 2020) Richard Huysers, F&GP (resigned 29 February 2020) Revd. Adrian Thorp (resigned 10 February 2020) Pauline Weighell (resigned 29 February 2020) Shirley Gray (resigned 29 February 2020)
Company Secretary	Peter Cooke
Senior Management Team	Janine Gleeson, Head Teacher Christine Large, Head Teacher Catherine Pollard, Deputy Head Teacher Michelle Brown, Deputy Head Teacher Ruth Lyonette, Assistant Head Teacher Marco Ramsay, Assistant Head Teacher Peter Cooke, Chief Operations Officer
Principal and Registered Office	Neasham Road Middleton St George Darlington DL2 1LD
Company Name	SaGe Multi Academy Trust
Company Registration Number	07984221

SaGe Multi Academy Trust

Reference and Administrative Details (continued)

Auditors	MHA Tait Walker Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 21-23 Northgate Darlington DL1 1TL
Solicitors	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a Directors' report, and a directors' report under company law.

SaGe Multi Academy Trust (the Trust) operates a multi academy trust comprising of 2 schools- St George's Church of England Academy - for pupils aged 3 to 11 serving the catchment area of Middleton St George and Sadberge, with a small minority of pupils coming from other local towns and villages. In September 2017 St George's CE Academy opened three new classrooms which expanded the school to a capacity of 420 plus a 26 place Nursery. The number of pupils on roll at the school census in January 2020 was 409 including Nursery. St John's Church of England Academy joined SaGe Multi Academy Trust on 1 March 2020. St John's Church of England Academy operates an Academy for pupils aged 2 to 11 serving a catchment area in east Darlington. It has a pupil capacity of 210 for Reception to Year 6, a 26 place Nursery for 3 and 4 year olds and a 20 place full-time equivalent provision for 2 year olds. The total number of pupils in the school at the last school census in January 2020 was 252.

Structure, Governance and Management

Constitution

St George's Church of England Academy Trust was incorporated on 9 March 2012 and the academy commenced its operations on 1 April 2012. The Company changed its name to SaGe Multi Academy Trust on 9 March 2017. On 1st March 2020 the Articles of Association were updated to reflect St John's Church of England Academy joining SaGe MAT and any additional schools which may wish to join at a future date. SaGe Multi Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Directors of SaGe Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as SaGe Multi Academy Trust.

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

Members' Liability

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

Directors' Indemnities

In accordance with normal commercial practice the Trust has considered insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Trust joined the ESFA's RPA scheme on 1 September 2015 and this provides unlimited indemnity in relation to employer's liability, third party public liability and professional indemnity. Property damage is limited to the reinstatement value of the property. This is renewed annually and the current arrangement was subject to renewal on 31 August 2020.

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Method of Recruitment and Appointment or Election of Directors

Directors are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership of the Board of Directors is in accordance with the structure contained within it. The number of Directors is not subject to any maximum and the appointments made are in line with the guidance in the articles of association. The term of office for each Trustee is four years with the exception of a co-opted Trustee. The term of office of the co-opted Trustee will be determined by the Board of Directors but will not exceed four years.

The members may appoint by ordinary resolution up to seven Directors.

With effect from the 1st March 2020 SaGe Multi Academy Trust has created 2 local governing bodies for St George's Church of England Academy and St John's Church of England Academy. The Directors shall ensure that any Local Governing Body shall include at least two Parent Local Governors.

The Directors shall ensure that any Local Governing Body constituted:

in respect of any Academy that had previously been a Voluntary Aided School immediately prior to conversion to Academy status shall have all its members (except elected parent and any staff members) appointed by the Directors with the consent of the Diocesan Corporate Member and that all its members shall sign an undertaking to the Diocesan Corporate Member to uphold the designated religious character of the said Academy

Policies and Procedures Adopted for the Induction and Training of Directors

All new Directors are given induction training by the Trust's governance partner that reflects the new Trustee's previous experience and expertise. Induction support reflects the expectations for those involved in governance identified in the DfE's *Competency Framework for Governance*. All new Directors are given a tour of the Trust (by the head teacher and chair) and the chance to meet with staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. The induction process enables any subsequent training to be tailored specifically to the individual.

Directors undertake planned governance development activity on a termly basis and the themes for the sessions reflect areas identified for development in the academy's annual self-review of effectiveness. As part of its annual programme of self-review activity, all Directors undertake a skills audit each year and this is used to highlight areas for development and training. It is also used to support the recruitment of new Directors by enabling the Board of Directors to pinpoint the skills and experience it needs to attract through the recruitment of new Directors.

Organisational Structure

The management structure consists of the members, the Directors, and the senior leadership team. The Trust's scheme of delegation makes clear the delegated responsibility for decision making within the Trust. The Directors are responsible for setting policy, approving the annual budget and the associated Academy development plan. The Academy development plans make clear the Directors' key priorities for each academic year in relation to improving outcomes for the pupils in the Trust. Directors have a range of strategies in place by which they monitor progress towards these key priorities, including regular visits to the Trust to see pupils at work. The progress of the Trust's development plan is monitored at each meeting of the Board of Directors/local Governing bodies.

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

In September 2018 Directors approved the formation of a Finance, Audit & General Purposes Committee of the Board of Directors and this met regularly during 2019/20. Since 1 March 2020 a Standards committee has also been established along with 2 local governing bodies. Additional meetings of Directors take place as required to review admissions, review pay and hear appeals.

The Trust expanded on 1 March 2020 incorporating St John's Church of England Academy after previously receiving an expression of interest in becoming part of the SaGe MAT from the Directors of St John's Church of England Academy. The Chief Executive Officer (CEO) is the designated accounting officer for the Trust. The Chief Operations Officer (COO) attends all meetings of the Board of Directors. The COO is also the designated Chief Financial Officer as required by the Education & Skills Funding Agency (ESFA).

Termly training is undertaken by the Board of Directors to reflect its own evaluation of need.

The work of the Board of Directors is carefully planned by the chairs, CEO and Head Teachers, working closely with the Academy Trust's clerk to the Board of Directors. The Board of Directors undertakes an annual review of its effectiveness and outcomes from this support the Academy Trust's wider self-evaluation processes. Regular training is undertaken by the Board of Directors to reflect its own evaluation of need:

Training undertaken in 2019/20 related to:

- Data products – ASP, IDSR;
- Mentoring for the expansion of a MAT
- Covid 19 contingency planning
- As required – L1 Child Protection, Keeping Children Safe in Education.

The senior management team consists of the CEO and COO. Each school has its own: head teacher, deputy head teacher and assistant head teacher. The scheme of delegation makes clear what decisions have been delegated to the various committees, CEO and head teachers by the Board of Directors. The senior management team within each school is responsible for the day-to-day operation of the Trust, particularly in relation to the organisation of teaching and learning and the wellbeing of pupils and staff, implementing the policies laid down by the Directors and reporting back to them.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has robust performance management (PM) arrangements in place for all staff, including the Trust's key management personnel. The PM of the CEO is undertaken by the chair of the board of Directors along with 2 other Board Directors with external specialist advice and support. The PM of the COO is undertaken by the CEO. The PM of the head teachers is undertaken by the Chair of their respective school Local Governing Body along with 2 other Local Governors with external specialist advice and support. The head teacher organise the PM arrangements for all staff within the school and reports to the Board of Directors annually on the performance of all staff against their agreed objectives. The pay structure in place follows the guidance laid down by *School Teachers' Pay and Conditions* (STPC) (DfE) and salaries fall within the Academy Trust's agreed pay scales.

Trade union facility time

No employees were identified as relevant trade union officials during the period.

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Related Parties and Other Connected Charities and Organisations

St George's Church of England Academy and St John's Church of England Academy are currently the only member academies of SaGe Multi Academy Trust. The Academy Trust is not connected to another charity as defined under paragraph 28 (1) of schedule 3 of the Charities Act.

Directors are aware of their responsibility to be even-handed in their relationships with related parties and ensure that all members, Directors, the accounting officer (CEO), chief financial officer (COO) complete a Register of Business Interests at the first meeting of each academic year. This is then kept under review as an agenda item at each subsequent meeting of the board. Declarations are recorded in the minutes of each board meeting for audit purposes. The information from Directors' Registers of Business Interests is collated and published on the Trust's website as required and Directors are aware of the Charity Commission's guidance *CC11: Trustee expenses and payments* and Section 3.10: *Transactions with related parties* in the Academies Financial Handbook.

Directors ensure that the requirements for managing related party transactions are rigorously applied. Currently one trustee is a director of a company supplying web portal support to the Trust but the Trust is confident that it keeps sufficient records, and makes the necessary disclosures in the annual accounts, to show that transactions related to this Trustee's company have been conducted in accordance with the high standards of accountability and transparency required within the public sector. All goods and services supplied by this supplier are done on the basis of direct cost plus indirect costs, with no element of profit.

The Academy Trust continues to work closely with local schools and various initiatives.

Each school within the Trust generate their own visions, aims and objectives which complement the overarching values of SaGe Multi Academy Trust

"Striving Ahead Generating Excellence"

These values are embraced and upheld by all staff, directors and Governors.

Objectives, Strategies and Activities

Performance at Key Stage 2 in national assessments 2019: Table 1									
	% expected plus			% Higher standard			Scaled score		
Subject	St John's	St George's	National	St John's	St George's	National	St John's	St George's	National
Reading	90	94	73	38	43	27	107	108	104
Writing	86	86	78	31	41	20	N/A	N/A	N/A
Maths	93	84	79	17	33	27	106	106.2	105
GPS	90	88	78	38	33	36	107	106.8	106
RWM	83	78	65	17	22	11			

The main Trustee objective of 2019/20 was to ensure the smooth transition of St John's Church of England Academy joining SaGe MAT including the realignment of the constitution, systems and procedures

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Public Benefit

The Directors confirm they have given due regard to the guidance published by the Charity Commission on public benefit when reviewing the Trust's aims and objectives.

Due to Covid-19 restrictions no pupil performance data is available, however the Trust has ensured that all Government guidance was adhered to and both St George's Church of England Academy and St John's Church of England Academy remained open during the 2019/20 pandemic including non-term time. Education was provided within the schools for the children of key workers and vulnerable children and then subsequently for specific year groups in line with Government guidance. Children not in attendance were provided with online home learning activities. The trust ensured that all vulnerable children received appropriate support and free school meals were provided for those pupils in line with their entitlement.

Due to the restrictions of the pandemic all activities ceased to take place i.e. Sporting events and inter school competitions therefore it is not possible to report any additional achievements.

Strategic Report

Achievements and Performance

Results have continued to be excellent at both schools since conversion to academy status in 2012 and this demonstrates that the Trust continues to meet the needs of all of its pupils, be they gifted and talented or SEND. We are continually working to improve the outcomes for all pupils at our Trust. To achieve this, we undertake a range of activities including: detailed tracking of individual progress and attainment, provision of timely support and intervention as required, a rigorous programme of classroom observations linked to our performance management policy, a planned programme of monitoring and evaluation activity and a creative curriculum that supports personalised learning and success for all.

Due to the 2019/20 pandemic there is no data available for 2019/20, however please see below latest data for each school within the Trust:

KS 1 performance in national assessments in 2019: Table 2						
	% expected plus			% good development		
	St John's	St George's	National	St John's	St George's	National
Reading (R)	80	81	75	20	32	26
Writing (W)	76	72	70	17	19	16
Maths (M)	79	79	76	24	30	22

Key Performance Indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators of the Trust relate to the achievements and performance of its pupils.

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Directors use a range of key performance indicators that enables them to monitor the progress and effectiveness of the academy and this forms part of the School Development Plan. Key indicators include:

- St George's CE Academy Ofsted Report (Feb. 2009) Outstanding overall;
- St John's CE Academy Ofsted Report (Feb. 2008) Outstanding overall
- St George's CE Academy SIAMs Church inspection (January 2020) revised framework Good school with pockets of excellence
- St John's CE Academy SIAMs Church inspection (June 2018) Outstanding overall judgement;
- Above all national floor standards in 2019;
- Pupils on roll & forecasts – St George's CE Academy continued to expand in 2019/20 due to demand;
- Financial data confirms a positive cash balance in 2019/20;

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Accounting Policies in note 1 to the financial statements.

Promoting the success of the company

All Directors ensure compliance under section 172(1)(a) to (f) of the Companies Act 2006, and subsequently act in a manner suitable to the role of a Director and uphold the following standards likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Financial Review

The Trust's income is received from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year ending 31 August 2020, total expenditure of £2,596,000 was less than recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £532,000. All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives. At 31 August 2020 the net book value of fixed assets was £2,116,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The provisions of FRS 102 in respect of retirement benefits have been applied in full, resulting in a deficit of £2,228,000 recognised on the balance sheet. The academy held income fund balances at 31 August 2020 of £858,000 comprising £385,000 of restricted funds and £473,000 of unrestricted funds.

The funding is provided on condition that:

- The Trust will be at the heart of it's community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There will be assessments of pupils' performance as they apply to maintained schools;
- The admissions policy and arrangements for the Trust will be as required of maintained schools;
- Teachers' levels of pay and conditions of service for all employees will be the responsibility of the academy trust;
- There will be an emphasis on the needs of the individual pupils including pupils with special educational needs and disabilities (SEND), both those with and without statements of SEND; and
- There will be no charge in relation to admission to academies within the Trust and the Trust will only charge pupils where the law allows maintained schools to charge.

The principal financial management policies were reviewed this year and updated where necessary to reflect changes in the appropriate Academies Financial Handbook (ESFA September 2019).

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that there should be sufficient working capital and free reserves to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as maintenance. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £858,000 which is considered by the Directors to be adequate, given the uncertainty over the national funding formula and impact of the LGPS valuation.

The Trust's Reserves Policy identifies that Directors have determined that the Trust's minimum level of reserves will equate to approximately one month's turnover - approximately £202,000.

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

The amount of unrestricted income funds at 31 August 2020 was £473,000 and the amount of restricted income funds not available for the general purpose of the Academy Trust at 31 August 2020 was £385,000.

The Trust has reviewed the surplus on restricted income funds plus the surplus on unrestricted funds at 31 August 2020. In the statements that follow this is a net surplus for the year of £312,000 + £192,000 = £504,000.

Investment Policy

The Trust's current Treasury Management and Investment Policy reflects the Directors' desire to maximise income but from a low risk strategy. Monies have been held in an interest bearing current account with Lloyds bank. This low risk cash term deposit matured in February 2020 yielding £1,500 interest

The objectives of this policy are to ensure that the Trust:

- Maintains sufficient cash balances in its current account to meet its day to day commitments;
- Invests surplus cash to earn an acceptable rate of return without undue risk;
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximization; and
- Considers spreading risk between differing types of institutions to reduce credit risk.

The investment policy is reviewed by the Directors on a regular basis.

Principal Risks and Uncertainties

The Academy Trust's risk register is regularly updated. The main key risks for the Academy Trust include:

- Financial stability
- Pupil support – behaviour, wellbeing, attendance, management issues and admittance of vulnerable groups

Current measures to mitigate these risks are:

- Close monitoring of pupil numbers, monthly budget monitoring, internal financial controls in order to minimise risk, dedicated Finance committee with support from external Finance partner, number of schools has increased within the Trust to maximise economies of scale.
- Procured services of an external Educational Welfare Officer which supported staff, children and families in promoting attendance. Key members of staff dedicated to support families and children who found themselves in vulnerable positions, behaviour policies revised and adopted across both schools.

Principal Risks and Uncertainties relating to Covid-19

The Academy trust has encountered the following difficulties:

- Loss of income from school lettings and fundraising activities
- Additional costs to adapt buildings to ensure they are Covid secure

SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

- The purchase of PPE
- Supply costs due to staff absence / additional hours
- Staff wellbeing and pupil mental health adversely affected
- Loss of a broad balanced curriculum for all pupils resulting in drop in attainment levels

Current measures to mitigate these risks are:

- Accessed available additional funding
- A recovery curriculum plan including a catch up programme
- Close monitoring of budget
- Continue to follow Government guidelines

Fundraising

The Board of Directors is aware of its duties under the provisions of the Charities (Protection and Social Investment) Act 2016 and gives due regard to *Charity Fundraising: a guide to Directors' duties (CC20)*.

The Trust receives its funding from the ESFA and through a range of DfE and local authority grants. The Trust normally would undertake additional fundraising, however due to the pandemic this did not take place in 2019/20.

Other additional fundraising was linked to the Trust's core Christian values. At points during the year, the Trust raised funds for, amongst others, Children in Need, Sports relief, NSPCC and the Shoe Box Appeal. Donations to these charities are at the discretion of parents/carers and pupils of the school. All monies raised are passed immediately, in total, to the respective charity. Fundraising is not undertaken amongst members of the general public unconnected with the Trust. Pupils at the Trust have an active involvement in decisions about which charities are supported.

The Trust has no associated trading company and therefore did not undertake any trading activity through this mechanism in 2019/20.

Plans for Future Periods

SaGe Multi Academy Trust has successfully incorporated St John's Church of England Academy within the Trust in 2019/20 and is currently establishing capacity for any appropriate schools to join the Trust in the future.

Funds Held as Custodian on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

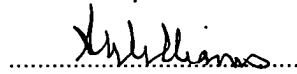
SaGe Multi Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Reappointment of auditor

The auditors MHA Tait Walker are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The trustees report , incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 8.12.20 and signed on its behalf by:



Ann Williams
Trustee

SaGe Multi Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the CEO, 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 SaGe Multi Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 10 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Trustee	Meetings attended	Out of a possible
Ann Williams (Chair of Board of Directors)	6	6
Jean Fletcher (resigned 29 February 2020)	2	3
Shirley Gray (resigned 29 February 2020)	2	3
Rodger Sansom	5	6
Janine Gleeson (CEO & Accounting Officer)	6	6
Joanna Morrison	6	6
Adrian Clarke (resigned 29 February 2020)	2	3
Richard Huysers Clarke (resigned 29 February 2020)	2	3
Dominic Vizzard	6	6
Pauline Weighell (resigned 29 February 2020)	3	3
Rev. Adrian Thorp resigned 9 February 2020	3	3
Valerie Cadd (appointed 1 March 2020)	3	3
Christine Marsh (appointed 1 March 2020)	3	3
Alyson Gerner (appointed 23 September 2019)	6	6

SaGe Multi Academy Trust

Governance Statement (continued)

The composition of the Board of Directors changed on the 1st March 2020 when St John's Church of England Academy joined SaGe Multi-Academy Trust and the revised composition of the Board of Directors reflects the Diocese of Durham recommended model.

The Finance and Resources (F&R) Committee was established in September 2018 and is a sub-committee of the main board of Directors. Its purpose is to undertake monitoring and planning related to the Trust's financial position and financial control systems. It also fulfils the audit requirements for the Trust. It is key in ensuring that the Board discharges its financial responsibilities correctly and that the Trust remains financially viable at all times.

The F, A & GP Committee met four times during 2019/20 and attendance at these meetings by committee members was as follows:

Trustee	Meetings attended	Out of a possible
Alyson Gerner (Chair of Finance, Audit & General purposes committee)	4	4
Ann Williams (Chair of Board of Directors)	3	3
Rodger Sansom (resigned 29 February 2020)	3	3
Janine Gleeson (CEO & Accounting Officer)	4	4
Dominic Vizzard	2	4
Pauline Weighell (resigned 29 February 2020)	2	3
Christine Marsh (appointed 1 March 2020)	1	1

A Standards & Performance committee was created on 1 March 2020, however due to the pandemic no meetings have yet taken place.

Trustee	Meetings attended	Out of a possible
Valerie Cadd (Chair of Standards & Performance committee) (appointed 1 March 2020)	0	0
Ann Williams (Chair of Board of Directors)	0	0
Rodger Sansom	0	0
Janine Gleeson (CEO & Accounting Officer)	0	0
Joanna Morrison (Vice Chair of Standards & Performance committee)	0	0

SaGe Multi Academy Trust

Governance Statement (continued)

Governance Review

The Trust has a strong track record of effective governance. In both St George's Church of England Academy's and St John's Church of England Academy's most recent Ofsted inspections, governance was judged to be Outstanding.

As part of the Directors' planned programme of activity, self-evaluation is a well-established activity. To support this, Directors undertake an annual audit of their skills and experience which then informs the Trust's governance development programme and recruitment of new Directors.

The Board of Directors has made good use of a range of national data products to support their work in monitoring the activity of the Trust. Products used have included Analyse School Performance (ASP), Inspection Data Summary Report (IDSR), Department for Education (DfE) Performance Tables and DfE financial benchmarking data. The Board of Directors moved to the provision of performance data by an outside provider to ensure external quality assurance that supports the scrutiny by the Board of Directors. Performance against the Trust's identified financial KPIs is reported at each meeting of the F,A & GP Committee through the Finance Partner's finance report. The Board of Directors also requests that the head teacher provides regular updates to their meetings of pupil progress data based on the Trust's internal tracking system. This enables the Board of Directors to compare its internal data with benchmarked external data that supports rigorous accountability.

Review of Value for Money

As accounting officer, the CEO 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 taxpayers' resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year 2019/20 by:

- SaGe Multi Academy Trust has identified substantial savings from St John's Church of England Academy joining the trust on 1 March 2020 through economies of scale in centralising back office functions and joint working practices.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in SaGe Multi Academy Trust for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

SaGe Multi Academy Trust

Governance Statement (continued)

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Directors;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Directors has previously considered the need for a specific internal audit function and appointed MHA Tait Walker to undertake a programme of internal assurance.

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, Clive Owen LLP have been appointed as internal assurance providers for the upcoming financial year.

The internal assurance role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Internal assurance activities are based on 3 days of site visits per annum. The routine testing carried out in the current period related to:

- Payroll systems;
- Related parties;
- ESFA, DfE and local authority income;
- Sundry income;
- Purchasing and payment systems;
- Fixed assets;
- Bank, petty cash and credit card use;
- HR procedures; and
- Trust policies.

On a termly basis the assurance provider reports to the Board of Directors through the Trust's Finance Improvement Plan on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

SaGe Multi Academy Trust

Governance Statement (continued)

The schedule of work was delivered by MHA Tait Walker as planned and identified a small number of minor issues that have been added to the Trust's Finance Improvement Plan. The outcomes from these visits were as follows:

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, Clive Owen LLP have been appointed as internal assurance providers for the upcoming financial year.

Autumn term 2019 - no weaknesses;

Spring term 2020 - 2 low outcomes: re invoice authorisation and review of risk register;

Summer term 2020 - 2 low outcomes: re depreciation of assets and account reconciliation.

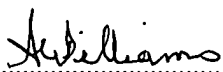
Review of Effectiveness

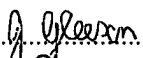
As accounting officer, the head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 8/12/20 and signed on its behalf by:


.....
Ann Williams
Trustee


.....
Janine Gleeson
Accounting officer
Trustee


SaGe Multi Academy Trust

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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


.....
Janine Gleeson
Accounting Officer

Date: 8/12/20.....

SaGe Multi Academy Trust

Statement of Trustees' Responsibilities

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

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

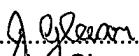
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 on 8/12/20... and signed on its behalf by:


.....
Janine Gleeson
Trustee

SaGe Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of SaGe Multi Academy Trust

Opinion

We have audited the financial statements of SaGe Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

SaGe Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of SaGe Multi Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SaGe Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of SaGe Multi Academy Trust (continued)

Use of our report

This report is made solely to the academy trust's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's trustees 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 academy trust and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

SaGe Multi Academy Trust

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

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SaGe Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

SaGe Multi Academy Trust

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

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to SaGe Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to SaGe Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SaGe Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

SaGe Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	14	49	15	78
Transfer from local authority on conversion		274	(685)	813	402
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	44	2,277	-	2,321
Other trading activities	4	20	-	-	20
Investments	5	2	-	-	2
Total		354	1,641	828	2,823
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	97	2,430	69	2,596
Total		97	2,430	69	2,596
Net income/(expenditure)		257	(789)	759	227
Transfers between funds		(65)	33	32	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(426)	-	(426)
Net movement in funds/(deficit)		192	(1,182)	791	(199)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		281	(661)	1,345	965
Total funds/(deficit) carried forward at 31 August 2020		473	(1,843)	2,136	766

SaGe Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

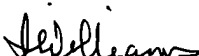
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	34	27	23	84
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	47	1,464	-	1,511
Other trading activities	4	34	-	-	34
Investments	5	2	-	-	2
Total		117	1,491	23	1,631
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	81	1,695	46	1,822
Total		81	1,695	46	1,822
Net income/(expenditure)		36	(204)	(23)	(191)
Transfers between funds		(106)	106	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(156)	-	(156)
Net movement in deficit		(70)	(254)	(23)	(347)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		351	(407)	1,368	1,312
Total funds/(deficit) carried forward at 31 August 2019		281	(661)	1,345	965

SaGe Multi Academy Trust

(Registration number: 07984221)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	12	2,116	1,319
Current assets			
Debtors	13	71	34
Current asset investments	14	-	150
Cash at bank and in hand		930	251
		<u>1,001</u>	<u>435</u>
Creditors: Amounts falling due within one year	15	<u>(123)</u>	<u>(55)</u>
Net current assets		<u>878</u>	<u>380</u>
Total assets less current liabilities		<u>2,994</u>	<u>1,699</u>
Net assets excluding pension liability		2,994	1,699
Pension scheme liability	24	<u>(2,228)</u>	<u>(734)</u>
Net assets including pension liability		<u>766</u>	<u>965</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	385	73
Restricted fixed asset fund	16	2,136	1,345
Restricted pension fund	16	<u>(2,228)</u>	<u>(734)</u>
		293	684
Unrestricted funds			
Unrestricted income fund	16	<u>473</u>	<u>281</u>
Total funds		<u>766</u>	<u>965</u>

The financial statements on pages 25 to 52 were approved by the trustees, and authorised for issue on 8/12/20 and signed on their behalf by:


.....
Ann Williams
Trustee

SaGe Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	566	(30)
Cash flows from investing activities	20	<u>113</u>	<u>(26)</u>
Change in cash and cash equivalents in the year		679	(56)
Cash and cash equivalents at 1 September		<u>251</u>	<u>307</u>
Cash and cash equivalents at 31 August	21	<u><u>930</u></u>	<u><u>251</u></u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

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

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

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Investment income

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into 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.

Asset class

Computer equipment
Furniture and equipment
Leasehold buildings
Leasehold land
Motor vehicles

Depreciation method and rate

3 years straight line
7 years straight line
50 years straight line
125 years straight line
4 years straight line

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.

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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 Education Skills and Funding Agency and the Department for Education Group.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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.

Local Government Pension Scheme

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. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £69,000 (2019 - £46,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Other voluntary income					
Educational trips and visits	7	-	-	7	24
Capital grants	-	-	15	15	23
Other donations	7	49	-	56	37
	<u>14</u>	<u>49</u>	<u>15</u>	<u>78</u>	<u>84</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>34</u>	<u>27</u>	<u>23</u>	<u>84</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	1,635	-	1,635	1,135
Other ESFA Group grants	-	401	-	401	157
	<u>-</u>	<u>2,036</u>	<u>-</u>	<u>2,036</u>	<u>1,292</u>
Other government grants					
Local authority grants	-	241	-	241	172
	<u>-</u>	<u>241</u>	<u>-</u>	<u>241</u>	<u>172</u>
Non-government grants and other income					
Other income from the academy trusts educational operations	44	-	-	44	47
	<u>44</u>	<u>2,277</u>	<u>-</u>	<u>2,321</u>	<u>1,511</u>
Total grants	<u>44</u>	<u>2,277</u>	<u>-</u>	<u>2,321</u>	<u>1,511</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>47</u>	<u>1,464</u>	<u>-</u>	<u>1,511</u>	

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £4,720 of cleaning and other costs. These costs are included in notes 7 and 8 below as appropriate.

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Hire of facilities	10	-	-	10	12
Other sales	1	-	-	1	-
Training	9	-	-	9	22
	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>34</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000
Total 2019	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000
Total 2019	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Staff costs £ 000	Non Pay Expenditure Premises £ 000	Other costs £ 000	Total 2020 £ 000	Total 2019 £ 000
Academy's educational operations					
Direct costs	1,748	69	126	1,943	1,328
Allocated support costs	351	107	195	653	494
	<u>2,099</u>	<u>176</u>	<u>321</u>	<u>2,596</u>	<u>1,822</u>

	Staff costs £ 000	Non Pay Expenditure Premises £ 000	Other costs £ 000	Total 2019 £ 000
Total 2019	<u>1,453</u>	<u>122</u>	<u>247</u>	<u>1,822</u>

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	2	2
Depreciation	69	46
Fees payable to auditor - audit	6	4
Fees payable to auditor - other audit services	<u>4</u>	<u>4</u>

7 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	1,943	1,328
Support costs - educational operations	<u>653</u>	<u>494</u>
	<u>2,596</u>	<u>1,822</u>

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	351	351	263
Depreciation	-	-	1
Premises costs	107	107	76
Legal costs	7	7	1
Other support costs	169	169	138
Governance costs	<u>19</u>	<u>19</u>	<u>15</u>
Total support costs	<u>653</u>	<u>653</u>	<u>494</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	1,512	1,079
Social security costs	135	93
Operating costs of defined benefit pension schemes	449	281
	<u>2,096</u>	<u>1,453</u>
Supply staff costs	3	-
	<u>2,099</u>	<u>1,453</u>

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers	21	18
Administration and support	45	37
Management	2	1
	<u>68</u>	<u>56</u>

Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

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) received by key management personnel for their services to the academy trust was £423,630 (2019 - £239,290).

9 Central services

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

- Recharges of CEO & COO salary
- Finance, Health & Safety and HR & Leadership SLAs
- Audit and other audit services
- Payroll & Finance licence
- Other expenses incurred on behalf of the academies

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

- 6% of GAG income

The actual amounts charged during the year were as follows:

	2020/19 £ 000	2019/18 £ 000
St George's Church of England Academy	35	-
St John's Church of England Academy	28	-
	<u>63</u>	<u>-</u>

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Janine Gleeson (Principal and trustee):

Remuneration: £90,000 - £95,000 (2019 - £85,000 - £90,000)

Employer's pension contributions: £20,000 - £25,000 (2019 - £10,000 - £15,000)

Jean Fletcher (Staff trustee):

Remuneration: £10,000 - £15,000 (2019 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2019 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 25.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 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 business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2019	1,312	205	-	82	1,599
Additions	31	17	-	6	54
Inherited assets	805	125	27	162	1,119
At 31 August 2020	2,148	347	27	250	2,772
Depreciation					
At 1 September 2019	43	170	-	67	280
Inherited assets	66	83	22	136	307
Charge for the year	18	20	3	28	69
At 31 August 2020	127	273	25	231	656
Net book value					
At 31 August 2020	2,021	74	2	19	2,116
At 31 August 2019	1,269	35	-	15	1,319

The academy trust company occupies land (including buildings) which are owned by its trustees who are The Church of England Diocese of Durham. The trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Church of England's contribution since to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the buildings occupied by the academy trust company will not be recognised on the balance sheet of the academy trust.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	1	-
Prepayments	22	16
Accrued grant and other income	48	18
	<u>71</u>	<u>34</u>

14 Current asset investments

	2020 £ 000	2019 £ 000
Fixed term deposits	<u>-</u>	<u>150</u>

15 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	34	-
Accruals	37	17
Deferred income	52	38
	<u>123</u>	<u>55</u>

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	38	37
Resources deferred in the period	52	38
Amounts released from previous periods	<u>(38)</u>	<u>(37)</u>
Deferred income at 31 August 2020	<u>52</u>	<u>38</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of Universal Infant Free School Meals and Rates Relief.

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	1,890	(1,538)	33	385
Other DfE/ESFA	-	396	(396)	-	-
Other Government Grants	-	241	(241)	-	-
Other grants	-	54	(54)	-	-
Improvement fund	73	-	(73)	-	-
	<u>73</u>	<u>2,581</u>	<u>(2,302)</u>	<u>33</u>	<u>385</u>
Restricted fixed asset funds					
Transfer on conversion	1,282	111	(11)	-	1,382
DFE/ESFA capital grants	37	717	(13)	-	741
Capital expenditure from GAG	23	-	(45)	32	10
Improvement fund	3	-	-	-	3
	<u>1,345</u>	<u>828</u>	<u>(69)</u>	<u>32</u>	<u>2,136</u>
Restricted pension funds					
Pension reserve	<u>(734)</u>	<u>(940)</u>	<u>(128)</u>	<u>(426)</u>	<u>(2,228)</u>
Total restricted funds	684	2,469	(2,499)	(361)	293
Unrestricted funds					
Unrestricted income funds	<u>281</u>	<u>354</u>	<u>(97)</u>	<u>(65)</u>	<u>473</u>
Total funds	<u>965</u>	<u>2,823</u>	<u>(2,596)</u>	<u>(426)</u>	<u>766</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	1,135	(1,241)	106	-
Pupil Premium	-	67	(67)	-	-
Other Government Grants	-	256	(256)	-	-
Other grants	-	33	(33)	-	-
Improvement fund	73	-	-	-	73
	<u>73</u>	<u>1,491</u>	<u>(1,597)</u>	<u>106</u>	<u>73</u>
Restricted fixed asset funds					
Transfer on conversion	1,282	-	-	-	1,282
DFE/ESFA capital grants	60	23	(46)	-	37
Capital expenditure from GAG	23	-	-	-	23
Improvement fund	3	-	-	-	3
	<u>1,368</u>	<u>23</u>	<u>(46)</u>	<u>-</u>	<u>1,345</u>
Restricted pension funds					
Pension reserve	(480)	-	(98)	(156)	(734)
Total restricted funds	961	1,514	(1,741)	(50)	684
Unrestricted funds					
Unrestricted income funds	351	117	(81)	(106)	281
Total funds	<u>1,312</u>	<u>1,631</u>	<u>(1,822)</u>	<u>(156)</u>	<u>965</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £ 000	2019 £ 000
St George's Church of England Academy	301	354
St John's Church of England Academy	552	-
SaGe Multi Academy Trust	5	-
	<hr/>	<hr/>
Total before fixed assets and pension reserve	858	354
Restricted fixed asset reserve	2,136	1,345
Pension reserve	(2,228)	(734)
	<hr/>	<hr/>
Total	766	965

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
St George's Church of England Academy	1,273	256	61	223	1,813
St John's Church of England Academy	462	69	5	76	612
SaGe Multi Academy Trust	13	19	14	56	102
Academy Trust	<u>1,748</u>	<u>344</u>	<u>80</u>	<u>355</u>	<u>2,527</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,116	2,116
Current assets	473	508	20	1,001
Current liabilities	-	(123)	-	(123)
Pension scheme liability	-	(2,228)	-	(2,228)
Total net assets	<u>473</u>	<u>(1,843)</u>	<u>2,136</u>	<u>766</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	1,319	1,319
Current assets	336	73	26	435
Current liabilities	(55)	-	-	(55)
Pension scheme liability	-	(734)	-	(734)
Total net assets	<u>281</u>	<u>(661)</u>	<u>1,345</u>	<u>965</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Commitments under operating leases

Operating leases

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

	2020 £ 000	2019 £ 000
Amounts due within one year	<u>1</u>	<u>2</u>

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

		2020 £ 000	2019 £ 000
Net (expenditure)/income		(227)	191
Depreciation	6	(69)	(46)
Capital grants from DfE and other capital income		15	23
Assets transferred on conversion from Local Authority		812	-
Interest receivable	5	2	2
Defined benefit pension scheme obligation inherited	24	(940)	-
Defined benefit pension scheme cost less contributions payable	24	(107)	(86)
Defined benefit pension scheme finance cost	24	(21)	(12)
Decrease/(increase) in debtors		37	(38)
Decrease in creditors		<u>(68)</u>	<u>(4)</u>
Net cash (used in)/provided by Operating Activities		<u>(566)</u>	<u>30</u>

20 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(54)	(1)
(Increase)/decrease in fixed term deposits	150	(50)
Capital funding received from sponsors and others	<u>15</u>	<u>23</u>
Net cash provided by/(used in) investing activities	<u>113</u>	<u>(26)</u>

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	930	251
Total cash and cash equivalents	930	251

22 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	251	679	930
	-	-	-
Total	251	679	930

23 Members' liability

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

24 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 Durham County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £216,532 (2019: £111,846).

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

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

Local government pension scheme

Durham County Council Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £139,000 (2019 - £105,000), of which employer's contributions totalled £109,000 (2019 - £83,000) and employees' contributions totalled £30,000 (2019 - £22,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees.

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

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.60
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.10</u>

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

	2020	2019
Retiring today		
Males retiring today	22.20	22.30
Females retiring today	24.20	24.00
Retiring in 20 years		
Males retiring in 20 years	23.20	23.80
Females retiring in 20 years	<u>25.70</u>	<u>25.70</u>

Sensitivity analysis

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	4,381	1,771
Discount rate -0.1%	4,597	1,841
Mortality assumption – 1 year increase	4,655	1,869
Mortality assumption – 1 year decrease	4,327	1,744
CPI rate +0.1%	4,507	1,819
CPI rate -0.1%	<u>4,471</u>	<u>1,793</u>

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

	2020 £ 000	2019 £ 000
Equities	1,117	541
Corporate bonds	332	125
Government bonds	540	275
Property	161	77
Cash and other liquid assets	<u>111</u>	<u>54</u>
Total market value of assets	<u>2,261</u>	<u>1,072</u>

The actual return on scheme assets was £1,260,000 (2019 - £990,000).

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	216	115
Past service cost	-	54
Interest income	(29)	(26)
Interest cost	50	38
Total amount recognised in the SOFA	237	181

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

	2020 £ 000	2019 £ 000
At start of period	1,806	1,360
Transferred in on existing academies joining the trust	1,880	-
Current service cost	216	115
Interest cost	50	38
Employee contributions	30	22
Actuarial (gain)/loss	523	229
Benefits paid	(16)	(12)
Past service cost	-	54
At 31 August	4,489	1,806

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

	2020 £ 000	2019 £ 000
At start of period	1,072	880
Transferred in on existing academies joining the trust	940	-
Interest income	29	26
Actuarial gain/(loss)	97	73
Employer contributions	109	83
Employee contributions	30	22
Benefits paid	(16)	(12)
At 31 August	2,261	1,072

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Related party transactions

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

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Inspirar Business Support Ltd

(Inspirar Business Support is a related party by virtue of Dominic Vizzard being a common director)

During the year SaGe Multi Academy Trust purchased website support and hosting totalling £4,200 (2019 - £4,200).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Inspirar Business Support Ltd was £Nil (2019 - £Nil).

SaGe Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Transfer of existing academies into the Trust

St John's Church of England Academy

	Value reported by transferring academy trust £ 000	Transfer in recognised £ 000
Tangible fixed assets		
Freehold land and buildings	739	739
Furniture and equipment	42	42
Computer equipment	26	26
Motor vehicles	6	6
	<u>813</u>	<u>813</u>
Other assets		
Debtors due in less than one year	79	79
Cash in bank and in hand	521	521
	<u>600</u>	<u>600</u>
Liabilities		
Creditors due in less than one year	(71)	(71)
Pensions		
Pensions – pension scheme assets	940	940
Pensions – pension scheme liabilities	(1,880)	(1,880)
	<u>(940)</u>	<u>(940)</u>
Net assets	<u>402</u>	<u>402</u>