

Company Registration Number: 07087804 (England & Wales)

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 21
Statement on regularity, propriety and compliance	22
Statement of Trustees' responsibilities	23
Independent auditors' report on the financial statements	24 - 27
Independent reporting accountant's report on regularity	28 - 29
Statement of financial activities incorporating income and expenditure account	30 - 31
Balance sheet	32 - 33
Statement of cash flows	34
Notes to the financial statements	35 - 62

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Arnold R Burrell S Harvey B Hitchcock
Designated Members	G Arnold, Chair W R W Birks, Principal and Accounting Officer to 31 August 2019 (retired 31 August 2019) L Caslin, Principal and Accounting Officer from 1 September 2019 (appointed 1 September 2019) B Hitchcock, Vice-Chair S Harvey R Burrell Cllr A Hagues (appointed) J Harman Rev C Pennock (resigned 7 January 2019) Prof H Gross (resigned 31 August 2019) R MacDonald D Smith (appointed 6 March 2019) N Horner (appointed 1 September 2019)
Company registered number	07087804
Company name	St George's Academy Trust
Principal and registered office	Westholme Sleaford Lincs NG34 7PP
Senior management team	W R W Birks, Principal and Accounting Officer to 31 August 2019 L Caslin, Vice-Principal to 31 August 2019, Principal and Accounting Officer from 1 September 2019 C Crawshaw, Vice-Principal H Anderson, Vice-Principal R Freeman, Vice-Principal J Steward, Vice-Principal S Stinchcombe, Vice-Principal A Money, Vice-Principal S Mann, Vice Principal J Lau, Vice Principal - Corporate Services and Chief Financial Officer J Hirst, ICT Director
Independent auditors	Streets Audit LLP Windsor House A1 Business Park Long Bennington Notts NG23 5JR

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Bankers	Lloyds Bank Plc 2 Northgate Sleaford Lincs NG34 7BL
Solicitors	Sills and Betteridge 27-31 Northgate Sleaford Lincs NG34 7BW

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The Trust operates as an Academy for pupils aged 11 to 19 serving a catchment area in Sleaford and Ruskington. It has a pupil capacity of 2,200 and had a roll of 2,193 on the school census at October 2019.

Structure, governance and management

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of St George's Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as St George's Academy Trust.

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

Members' liability

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

Trustees' indemnities

The arrangement of appointing Members of the Academy Trust are set out in the Articles of Association of St George's Academy Trust. Governors are subject to retirement by rotation, but are eligible for re election at the meeting at which they retire. At each Annual General Meeting of the Charitable Company, one third of the Governors retire by rotation. The Governors to retire are those who have been longest in office since their last election or appointment.

The Governors who were in office at 31 August 2019 and served throughout the period are listed on page 1.

Method of recruitment and appointment or election of Trustees

The arrangement of appointing Members of the Academy Trust are set out in the Articles of Association of St George's Academy Trust. Governors are subject to retirement by rotation, but are eligible for re election at the meeting at which they retire. At each Annual General Meeting of the Charitable Company, one third of the Governors retire by rotation. The Governors to retire are those who have been longest in office since their last election or appointment.

The Governors who were in office at 31 August 2019 and served throughout the period are listed on page 1.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

During the year under review, the various Trustee and Governors committees held 20 meetings in total. The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally few new Governors each year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure consists of three levels: The Governors, The Senior Managers and the Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers are the Principal, nine Vice Principals and the ICT Director. These managers control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets. Appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which the Finance Director must countersign.

The Management Teams include the Senior Management, Student Progress Managers and Heads of Department. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

Staff Trustees

Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

Head Teacher

The governing body will assign a seven point Individual School Range based on the school group size, as determined by the School Teachers' Pay and Conditions document. The governing body will ensure that there is no overlap of salary bands between the head teacher and other leadership posts.

The governing body will calculate the head teacher group size at the start of each academic year and determine the appropriate Individual School Range (ISR) for the year. The governing body will determine the group size for the school in accordance with the provisions of the School Teachers' Pay and Conditions Document.

On appointment the head teacher will be appointed on one of the first 4 points on the ISR.

Progression on the ISR for the head teacher will be subject to a review of the head teacher's performance set against the annual appraisal review. The governing body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the governing body may decide that there should be no pay progression. The pay review for the head teacher will be completed by 31 December.

The governing body will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the head teacher's salary is fair and transparent.

Other Key Management Personnel

The governing body will determine a pay range for all other leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document.

The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. A post with a designated deputy role in the absence of the head teacher will be remunerated accordingly above the range for other leadership posts.

The governing body will ensure that there is no overlap of pay points between the head teacher and any other leadership post.

On appointment a teacher paid on the leadership scale will be appointed on one of the first 3 points on the pay range.

The pay range for teachers paid on the leadership spine will be reviewed on 1 September each year or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to consider a retention payment for a member of staff on the leadership scale.

Progression on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against the annual appraisal review. The governing body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the governing body may decide that there should be no pay progression. The pay review will be completed by 30 November.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	1,530
Total pay bill	49,618
Percentage of total pay bill spent on facility time	3 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
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Related parties and other connected charities and organisations

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

Objectives and activities

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Objectives and activities (continued)

Objects and aims

The principal object and activity of the charitable company is the operation of St George's Academy to provide education for pupils of different abilities between the ages of 11 and 19, with an emphasis on Mathematics and Technology.

In accordance with the Articles of Association, the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Children, Schools and Families (DFE). The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should develop the substance of the National Curriculum.

Mission and Values

The St George's Academy has a mission of "Aiming High". This easy to remember line allows staff to keep focused on the core mission of the Academy: to provide the very best education for all children. We are aiming to establish a world class educational provision for the young people of the Sleaford area. This core moral purpose of the Academy is important in motivating staff to go the extra mile for the children.

"Aiming High, to achieve Excellence for all, in a World Class Academy."

The change of Principal provides an ideal opportunity to re-examine the core vision of St George's Academy and the values of the institution. It also allows for all colleagues, students and governors to take part in a thorough review of Academy priorities via a SWOT (Strengths, weaknesses, opportunities and weaknesses) analysis and this will form part of the improvement strategy we have already begun.

The Academy has reviewed its vision and values of which staff, students and governors were consulted and our new vision is:

"To create a world class Academy where all students achieve their potential".

We also have six key values: Respect, Tolerance, Ambition, Teamwork, Opportunity and Excellence.

Our Ambitions

The academic record of the Academy should be outstanding. We should aim to achieve all of our targets across the different Key Stages, through teaching and learning of the highest order, and through a complex personalised curriculum. The behaviour and dress of the children should be of the highest order, as should our support and responses to parents. The students should leave the Academy as responsible citizens ready to succeed in their chosen field. Our Academy should be a happy and engaging place for students and staff.

To this end the Academy aims to:

- Seek to create a secure, lively and outward looking community, continuously developing for the benefit of all its members. In the context of our Academy community and regardless of gender, race or religion, we aim to encourage all students to develop intellectually, physically, emotionally, morally and spiritually and in so doing evolve lively enquiring minds.
- Encourage in all our students self awareness, independence, self discipline and appreciation of achievement.
- Encourage all our students to seek to achieve an excellent standard in all that they do.
- Encourage in all students an awareness of their responsibility to society through being able to establish good relationships with their peers and behaviour which is acceptable whatever situations occur.
- Work in partnership with parents, businesses and the local community to prepare students to take a responsible and active role within a technological society.
- Utilise a wide range of technology to enhance the learning experience of each and every one of our

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Objectives and activities (continued)

students.

- Develop simultaneously vocational and academic routes in order to prepare students for the challenges that lie ahead in their adult lives.
- Encourage an understanding of the aesthetic, artistic and cultural features of our own and other societies.
- Encourage students to be aiming high in all that they do and expect the staff to have high expectations of the students.
- Care for all members of our community, both inside and outside of the Academy.
- Encourage enterprise and a willingness to take risks in preparing students to be successful as they leave school.
- Encourage hard work by students, staff and parents.
- Encourage Partnership: working with other institutions gives the greatest opportunities for students in the area.
- Encourage in all students self discipline and a willingness to take responsibility for actions taken.
- Emphasise the worth of all young people, regardless of ability, race, religion, sex or social standing.

St George's Academy is committed to safeguarding and promoting the welfare of our students and expects all staff and volunteers to share this commitment.

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2019 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To raise the standard of educational achievement of all pupils.
- To improve the effectiveness of the Academy by keeping the curriculum and organisation structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with industry and commerce.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report

Achievements and performance

The achievement of the Academy is not only through the increase in academic performance of the students, but also in the re shaping of the educational provision of the area. The Academy has been "ground breaking" in establishing a new educational structure to replace the out dated rural secondary modern structure. The Academy is well on its way to realising its mission of establishing world class provision for all of the local children. There are no longer any National Challenge schools in the area: previously there had been three.

The Academy has clear targets for all of the main indicators of academy achievement and attendance.

We aim to be in line with national outcomes or higher across the Academy. The Academy is making progress towards this target and significant work is taking at Key Stage 5 in particular.

The latest Ofsted inspection in February 2019 concluded that the Academy continues to be good. Extracts from the short inspection include the following:

- The leadership team has maintained the good quality of education in the school since the last inspection
- We know the school well and the self-evaluation is accurate
- We have high expectations and are not complacent about what needs improving
- Teachers use questioning effectively to probe pupils' knowledge and understanding
- Pupils are polite, well-mannered and behave very well in lessons and around the school
- We have responded very well to the areas for improvement from the last inspection

They identified three key areas for improvement as follows:

Leaders and those responsible for governance should ensure that:

- they continue to take action to improve provision and outcomes for students in the sixth form so that progress is at least consistently good
- work continues to eliminate relative underperformance in English so that pupils' progress is similar to that in the best-performing subjects
- they continue to take action to ensure that the pupil premium grant is used even more effectively to improve the attainment and progress of disadvantaged pupils.

Outcomes

The Academy achieved 57% grades 9-4 in English and Maths, a slight decrease on the previous year. 31% of students achieved grades 5 and above in English & Maths, a 1% increase on the previous year.

11% of students achieved the EBAC at grade 4 and above. Progress measures are yet to be finalised, but is likely that the academy will be in line with national averages in terms of Progress 8.

Sixth Form

At Key Stage 5, 97.4% of students passed at A Level with 31% of grades at A* B. These figures are slightly down on last year. 67% of students gained grades D* D in vocational subjects with an overall 100% pass rate. All level 3 courses saw an increase in average point scores. Progress in re-sit English and Maths was again very successful with progress measures well above national averages in both subjects.

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Financial review

Reserves policy

The trustees review the reserve levels of the Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

We aim to carry a reserve at all times to cover unforeseen eventualities. There is no set percentage for this figure. However, part of the reserves have been ear-marked for improvements to fire safety equipment such as fire alarm systems, emergency lighting and fire doors.

At 31 August 2019, free reserves held amounted to £817,282 and restricted general funds amounted to £2,007,518. The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £25,554,735.

No funds are in deficit except the pension reserve of £3,536,000

Total funds at 31 August 2019 amounted to £24,843,535 and the combined balance on restricted general funds plus unrestricted general funds at 31 August 2019 is £2,824,800.

Investment policy

The Academy shall only invest surplus funds on the money market or similar deposit, where the return of the capital invested and the interest it will earn is predetermined and guaranteed. All investments are approved by the governing body.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Financial review (continued)

Principal risks and uncertainties

The principal risks and uncertainties of the Academy relate to:

- Teaching
- Provision of facilities
- Other operational areas of the Academy
- Finances

Outlined below is a description of the principle risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

The Academy has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in the context of public sector spending constraints.

This risk will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- Ensuring the Academy is rigorous in delivering in high quality education and training.
- Considerable focus and investment is placed on maintaining dialogue and managing key relationships with the various funding bodies.
- Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding.
- Active pursuit of cost efficiencies and income generation opportunities.
- Contingent planning embedded into the Academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme (LGPS) on the Academy's balance sheet in line with the requirements of FRS 102. The Academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Competition

The Academy keeps its curriculum offer under constant review to maintain its relevance and viability against competition from its neighbouring schools and colleges.

4. Recruitment

Changes to funding arrangements, policy, competition and inspection outcomes all have the potential to significantly affect the number of learners recruited by the Academy. These risks are monitored and mitigated in a number of ways:

- Ensuring the Academy is rigorous in delivering high quality education and training.
- Maintaining dialogue and managing key relationships with the various funding bodies.
- Ensuring that its management focus and investments enhance the quality of learner experience and promote the Academy's position as the provider of choice within its market.

The Academy has faced increasing challenges in the recruitment of teaching staff in some key areas and has adopted a number of strategies to address these challenges.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Financial review (continued)

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Financial review

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2019, total revenue income including grants and other income was £12,553,148, and related expenditure was £13,755,164, giving a revenue deficit before capital expenditure of £1,202,016.

At 31 August 2019, the net book value of fixed assets was £25,548,265. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy's non teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £3,536,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Fundraising

The Trust raises funds both for its own internal use and for external charities. This may be by having non-uniform days, discos, selling charity merchandise, sponsor walks, coffee mornings and selling of refreshments.

We do not employ a professional fundraiser or commercial participator for internal fundraising. There has been no non-compliance of schemes or standards cited and no complaints have been received. We do not give contact details out to external fundraisers. Donations to charity days are asked for but no child is penalised, for instance, if they do not bring money when it is a non-uniform day.

Internal fundraising includes:

- Selling refreshments during parents' evenings to supplement the year 13 Prom
- Sponsor walks to supplement the Year 11 Prom

External charities the Trust supported this year include:

- MacMillan Cancer
- Teenage Cancer trust
- Sands Charity
- Save the Children
- NSPCC
- Sleaford Community Larder
- Sports Relief
- Comic Relief
- Andy's Hospice

Plans for future periods

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy will continue striving to improve the levels of performance of its students at all levels and continue its efforts to ensure its students get jobs or a place in higher education once they leave. The Academy's targets for 2019/20 are:

- Average student attendance for the year of 95% or better
- 65% of eligible students to attain GCSEs graded 9-4, in Mathematics and English. 40% to be graded 9-5 in English and Mathematics
- Progress 8 value added score to be positive

Sixth form targets are for 100% of Year 13 to pass A*-E, with 40% passing A-B.

Funds held as custodian on behalf of others

The academy does not hold such funds.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

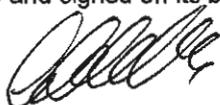
Full details of these policies are available from the academy's offices.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the board of Trustees, as the company directors, on 2 December 2019 and signed on its behalf by:



.....
G Arnold
(Chair of Trustees)

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Principal, 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 St George's Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
G Arnold, Chair	5	5
W R W Birks, Principal and Accounting Officer to 31 August 2019	5	5
B Hitchcock, Vice-Chair	5	5
S Harvey	5	5
R Burrell	4	5
Cllr A Hagues	4	5
J Harman	4	5
Rev C Pennock	1	3
Prof H Gross	3	5
R MacDonald	1	2

During 2018/19, two new Directors were appointed and completed the skills audit. Directors received regular presentations from senior leaders with regard to a range of areas including teaching and learning, curriculum development in line with the new Ofsted Framework and careers guidance/work experience for students. They also reviewed their role linked to the DfE's Competency Framework for Governance to ensure the required skills, knowledge and behaviours were in place.

Governance of St George's Academy has been restructured in line with planned development to create a Multi Academy Trust. For example, three operational committees report regularly to the Directors and strategic development is overseen by Academy Members.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its terms of reference are:

- Managing the budget made available to it by the DCSF, both efficiently and economically, ensure 'best value at all times.
- Adhering to the DCSF's financial regulations.
- Compliance with the Financial Management of Schools Handbook as approved by the Secretary of State.
- Approval of the Academy's financial planning.
- The Academy's annual budget is to be recommended to the full Governing Body for approval.
- Regular monitoring of actual and forecast income and expenditure against the budget.
- Taking all reasonable steps to ensure that the Academy does not overspend.
- Approval and review, as required, of the Academy's Virement Policy.
- Reviewing the Audit reports and ensuring that wherever possible the recommendations are implemented.
- Overseeing the financial administration of privately raised funds (School Fund).
- To act as the Payroll Committee.
- Other general matters as they arise in the Academy.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Arnold	8	8
W R W Birks	7	8
R Burrell	8	8
S Harvey	6	8
B Hitchcock	8	8

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

1. Raising Student Attainment

The Academy has clear targets for all of the main indicators of academic achievement, attendance and behaviour of all students.

St George's Academy will ensure that where possible additional needs of individual pupils will be met and appropriate resources (staff and equipment) will be made available such as one to one support or stretch and challenge for the more able pupils.

2. Robust Governance and Oversight of Academy Trust Finances

The Academy uses the services of a suitably qualified Responsible Officer (RO). The RO reviews key financial policies, systems and procedures and presents reports on compliance to the Finance and General Purposes Operational Committee. There is also a Monitoring Officer (MO) who provides a similar role and reports directly to the Finance and General Purposes Operational Committee.

The Finance and General Purposes Operational Committee receive monthly budget monitoring reports.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors' Management Report.

3. Ensuring the Operation of the Trust Demonstrates Good Value for Money and Efficient and Effective Use of Resources

The Academy benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis.

4. Maximising Income Generation

The Academy explores every opportunity to generate income through hire of Academy facilities.

5. Reviewing Controls and Managing Risks

Monthly budget monitoring reports are produced and reviewed by the Finance Director and the Principal and any necessary remedial action taken to address any significant variances that may have an impact on the budget.

The Academy Trust ensures that surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

6. Reviewing Operation to Maximise Use of Resources

Expenditure within each budget heading is reviewed and adjustments made, based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Development Plan.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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 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 St George's Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Streets Audit LLP to conduct a supplementary programme of work.

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

- Payroll
- Income
- Procurement
- Fixed assets
- Balance sheet reconciliations
- Risk register
- Budget monitoring/reporting
- Staff reimbursement claims

On a semi-annual basis, the internal auditor reports to the board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. Key recommendations within the report have been discussed with the internal auditors, and an action plan agreed.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy 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 finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 2 December 2019 and signed on their behalf by:


.....
G Arnold
Chair of Trustees


.....
L Caslin
Accounting Officer

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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


.....
L Caslin
Accounting Officer
Date: 2 December 2019

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

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

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

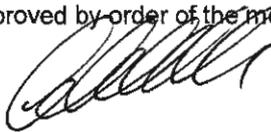
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 2 December 2019 and signed on its behalf by:



.....
G Arnold
(Chair of Trustees)

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
GEORGE'S ACADEMY TRUST**

Opinion

We have audited the financial statements of St George's Academy Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
GEORGE'S ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
GEORGE'S ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
GEORGE'S ACADEMY TRUST (CONTINUED)



Mark Bradshaw (Senior statutory auditor)

for and on behalf of
Streets Audit LLP

Windsor House

A1 Business Park

Long Bennington

Notts

NG23 5JR

Date: 6/12/2019.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 April 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St George's Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St George's Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St George's 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 St George's Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St George's Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St George's Academy Trust's funding agreement with the Secretary of State for Education dated 2 December 2009 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
GEORGE'S ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Bradshaw (Senior statutory auditor)

Streets Audit LLP

Windsor House
A1 Business Park
Long Bennington
Notts
NG23 5JR

Date: 6/12/19.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	25,633	157,873	183,506	70,224
Charitable activities		40,477	11,867,014	-	11,907,491	11,451,334
Teaching schools		-	356,675	-	356,675	271,542
Other trading activities		91,896	152,922	-	244,818	184,491
Investments	6	18,531	-	-	18,531	26,802
Total income		150,904	12,402,244	157,873	12,711,021	12,004,393
Expenditure on:						
Charitable activities	8	47,881	13,854,534	388,826	14,291,241	13,694,840
Teaching schools		-	336,749	-	336,749	271,716
Exceptional items	9	-	-	254,381	254,381	-
Total expenditure		47,881	14,191,283	643,207	14,882,371	13,966,556
Net income/(expenditure)		103,023	(1,789,039)	(485,334)	(2,171,350)	(1,962,163)
Transfers between funds	19	-	(132,686)	132,686	-	-
Net movement in funds before other recognised gains/(losses)		103,023	(1,921,725)	(352,648)	(2,171,350)	(1,962,163)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,548,000)	-	(1,548,000)	1,069,000
Net movement in funds		103,023	(3,469,725)	(352,648)	(3,719,350)	(893,163)

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:					
Total funds brought forward	714,259	1,941,243	25,907,383	28,562,885	29,456,048
Net movement in funds	103,023	(3,469,725)	(352,648)	(3,719,350)	(893,163)
Total funds carried forward	817,282	(1,528,482)	25,554,735	24,843,535	28,562,885

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

The notes on pages 35 to 62 form part of these financial statements.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07087804

BALANCE SHEET
AS AT 31 AUGUST 2019

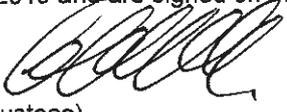
	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	25,548,265	25,907,298
		<u>25,548,265</u>	<u>25,907,298</u>
Current assets			
Debtors	16	607,996	503,609
Cash at bank and in hand		2,800,879	4,130,167
		<u>3,408,875</u>	<u>4,633,776</u>
Creditors: amounts falling due within one year	17	(559,010)	(449,395)
Net current assets		<u>2,849,865</u>	<u>4,184,381</u>
Total assets less current liabilities		<u>28,398,130</u>	<u>30,091,679</u>
Creditors: amounts falling due after more than one year	18	(18,595)	(24,794)
Net assets excluding pension liability		<u>28,379,535</u>	<u>30,066,885</u>
Defined benefit pension scheme liability	24	(3,536,000)	(1,504,000)
Total net assets		<u><u>24,843,535</u></u>	<u><u>28,562,885</u></u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	25,554,735	25,907,383
Restricted income funds	19	2,007,518	3,445,243
		<u>27,562,253</u>	<u>29,352,626</u>
Restricted funds excluding pension asset	19	27,562,253	29,352,626
Pension reserve	19	(3,536,000)	(1,504,000)
		<u>24,026,253</u>	<u>27,848,626</u>
Total restricted funds	19	24,026,253	27,848,626
Unrestricted income funds	19	817,282	714,259
		<u>24,843,535</u>	<u>28,562,885</u>
Total funds		24,843,535	28,562,885

The financial statements on pages 30 to 62 were approved by the Trustees, and authorised for issue on 02 December 2019 and are signed on their behalf, by:


G Arnold
(Chair of Trustees)

The notes on pages 35 to 62 form part of these financial statements.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	(1,221,527)	(905,965)
Cash flows from investing activities	22	(107,761)	(273,587)
Change in cash and cash equivalents in the year		(1,329,288)	(1,179,552)
Cash and cash equivalents at the beginning of the year		4,130,167	5,309,719
Cash and cash equivalents at the end of the year	23	<u>2,800,879</u>	<u>4,130,167</u>

The notes on pages 35 to 62 form part of these financial statements

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

St George's Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

• **Donations**

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

• **Other income**

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 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.

The Academy incurs significant repair and replacement costs such that the Trustees believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged on either freehold or long-term leasehold property.

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Furniture and equipment	-	15% straight-line
Computer equipment	-	15% straight-line

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy'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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

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

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

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

1.13 Fund accounting

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

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

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

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

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

As explained in note 1.6 above, the Academy incurs significant repair and replacement costs such that the Trustees believe the properties residual values are not materially different to the cost. Accordingly, no depreciation is charged.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	-	25,633	-	25,633
Capital Grants	-	-	157,873	157,873
	<u>-</u>	<u>25,633</u>	<u>157,873</u>	<u>183,506</u>
	<u>-</u>	<u>25,633</u>	<u>157,873</u>	<u>183,506</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	1,463	25,560	-	27,023
Capital Grants	-	-	43,201	43,201
	<u>1,463</u>	<u>25,560</u>	<u>43,201</u>	<u>70,224</u>
	<u>1,463</u>	<u>25,560</u>	<u>43,201</u>	<u>70,224</u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
General Annual Grant (GAG)	-	10,395,302	10,395,302
Other DfE/EFA grants	-	826,431	826,431
Local authority grants	-	479,315	479,315
Trips	-	165,966	165,966
Music	40,477	-	40,477
	<u>40,477</u>	<u>11,867,014</u>	<u>11,907,491</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
General Annual Grant (GAG)	-	10,140,519	10,140,519
Other DfE/EFA grants	-	604,138	604,138
Local authority grants	-	514,423	514,423
Trips	-	157,607	157,607
Music	34,647	-	34,647
	<u>34,647</u>	<u>11,416,687</u>	<u>11,451,334</u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Hire of facilities	17,061	-	17,061
Other income	74,835	152,922	227,757
	<u>91,896</u>	<u>152,922</u>	<u>244,818</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Hire of facilities	19,677	-	19,677
Other income	88,544	76,270	164,814
	<u>108,221</u>	<u>76,270</u>	<u>184,491</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	18,531	18,531	26,802
	<u>18,531</u>	<u>18,531</u>	<u>26,802</u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs	Premises	Other	Total
	2019	2019	2019	2019
	£	£	£	£
Academy's Educational Operations:				
Direct costs	9,723,142	-	1,479,063	11,202,205
Allocated support costs	1,506,095	1,099,964	482,977	3,089,036
Teaching school	-	-	336,749	336,749
Other expenditure	-	-	254,381	254,381
	<u>11,229,237</u>	<u>1,099,964</u>	<u>2,553,170</u>	<u>14,882,371</u>
	<i>Staff Costs</i>	<i>Premises</i>	<i>Other</i>	<i>Total</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Academy's Educational Operations:				
Direct costs	9,207,016	-	1,512,983	10,719,999
Allocated support costs	1,483,108	1,072,593	419,140	2,974,841
Teaching school	-	-	271,716	271,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Academy's Educational Operations	47,881	14,243,360	14,291,241

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Academy's Educational Operations	<i>67,787</i>	<i>13,627,053</i>	<i>13,694,840</i>

9. Exceptional items

	Restricted funds 2019 £	Total funds 2019 £
Planning costs	254,381	254,381

In the current year there was a significant loss on the write off of the swimming pool project. This is shown as a separate line in the statement of financial activities as the trustees deem this to be necessary to show a true and fair view.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy's Educational Operations	11,202,205	3,089,036	14,291,241

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Academy's Educational Operations	10,719,999	2,974,841	13,694,840

Analysis of support costs

	Academy's Educational Operational 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,506,095	1,506,095	1,483,108
Technology costs	160,386	160,386	179,340
Premises costs	1,099,964	1,099,964	1,072,113
Other costs	268,608	268,608	197,466
Governance costs	53,983	53,983	42,814
	3,089,036	3,089,036	2,974,841

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	33,629	44,217
Depreciation of tangible fixed assets	388,817	353,086
Exceptional items	254,381	-
Fees paid to auditors for:		
- audit	6,500	6,500
- other services	4,751	4,151

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	8,363,559	7,972,202
Social security costs	805,373	768,461
Pension costs	1,770,984	1,732,437
	10,939,916	10,473,100
Agency staff costs	214,693	217,024
Staff restructuring costs	74,628	-
	11,229,237	10,690,124

Staff restructuring costs comprise:

	2019	2018
	£	£
Redundancy payments	74,628	-
	74,628	-

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	163	157
Administration and support	178	178
Management	1	1
	342	336

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

12. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019	<i>2018</i>
	No.	<i>No.</i>
Teachers	151	<i>145</i>
Administration and support	106	<i>103</i>
Management	1	<i>1</i>
	258	<i>249</i>

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>4</i>
In the band £70,001 - £80,000	6	<i>4</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>-</i>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £963,718 (2018 - £929,672).

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2019	2018
	£	£
W R W Birks, Principal and Accounting Officer Remuneration to 31 August 2019 (retired 31 August 2019)	130,000 - 135,000	<i>125,000 -</i> <i>130,000</i>
Pension contributions paid	20,000 - 25,000	<i>20,000 -</i> <i>25,000</i>

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

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,220 (*2018 - £1,220*). The cost of this insurance is included in the total insurance cost.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	768,409	24,029,705	841,661	2,116,091	27,755,866
Additions	128,962	10,755	71,531	72,917	284,165
Disposals	-	(254,381)	-	-	(254,381)
At 31 August 2019	<u>897,371</u>	<u>23,786,079</u>	<u>913,192</u>	<u>2,189,008</u>	<u>27,785,650</u>
Depreciation					
At 1 September 2018	22,704	73,347	392,039	1,360,478	1,848,568
Charge for the year	-	-	109,474	279,343	388,817
At 31 August 2019	<u>22,704</u>	<u>73,347</u>	<u>501,513</u>	<u>1,639,821</u>	<u>2,237,385</u>
Net book value					
At 31 August 2019	<u>874,667</u>	<u>23,712,732</u>	<u>411,679</u>	<u>549,187</u>	<u>25,548,265</u>
At 31 August 2018	<u>745,705</u>	<u>23,956,358</u>	<u>449,622</u>	<u>755,613</u>	<u>25,907,298</u>

Included in freehold property is land and buildings owned by the trust and which are not depreciated, in line with the accounting policy.

Included in leasehold property are buildings on a 125 year lease which are not depreciated, in line with the accounting policy.

The buildings have been included in accordance with a valuation at depreciated replacement cost as at 31 March 2016 carried out the ESFA. The trustees consider this to be a fair value.

The academy's transactions relating to freehold property are a roofing replacement to the construction block.

The academy's transactions relating to leasehold property are costs and write off of an asset under construction which did not go ahead.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	46,833	7,563
Other debtors	209,079	200,343
Prepayments and accrued income	352,084	295,703
	607,996	503,609

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	6,198	6,198
Trade creditors	97,013	17,014
Other taxation and social security	207,229	194,215
Other creditors	22,000	15,750
Accruals and deferred income	226,570	216,218
	559,010	449,395

Included in other loans is a loan of £6,198 (2018 - £6,198) from ESFA (Salix) which is provided on the following terms:

- repayable in 6 monthly installments;
- no interest is charged;
- the loan is due to mature in 2023.

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

	2019 £	2018 £
Other loans	18,595	24,794

Included in other loans is a loan of £18,595 (2018 - £24,794) from ESFA (Salix) which is provided on the following terms:

- repayable in 6 monthly installments;
- no interest is charged;
- the loan is due to mature in 2023.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	714,259	150,904	(47,881)	-	-	817,282
Restricted general funds						
General Annual Grant (GAG)	2,044,069	10,395,302	(11,925,825)	(2,979)	-	510,567
Other DfE/ESFA grants	771,687	747,639	(572,378)	(77,682)	-	869,266
Other government grants	154,655	506,743	(594,099)	(5,521)	-	61,778
School fund	141,823	148,961	(150,475)	-	-	140,309
Other income	333,009	603,599	(464,506)	(46,504)	-	425,598
Pension reserve	(1,504,000)	-	(484,000)	-	(1,548,000)	(3,536,000)
	<u>1,941,243</u>	<u>12,402,244</u>	<u>(14,191,283)</u>	<u>(132,686)</u>	<u>(1,548,000)</u>	<u>(1,528,482)</u>
Restricted fixed asset funds						
Transfer from Local Authority	21,102,694	-	-	-	-	21,102,694
DfE/ESFA capital grants	860,219	157,873	(85,542)	-	-	932,550
Capital expenditure from GAG	3,487,940	-	(521,950)	132,686	-	3,098,676
Capital expenditure from other income	456,530	-	(35,715)	-	-	420,815
	<u>25,907,383</u>	<u>157,873</u>	<u>(643,207)</u>	<u>132,686</u>	<u>-</u>	<u>25,554,735</u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	27,848,626	12,560,117	(14,834,490)	-	(1,548,000)	24,026,253
Total funds	28,562,885	12,711,021	(14,882,371)	-	(1,548,000)	24,843,535

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/ESFA grants comprise various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Other Government grants include funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils' education.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based upon the nature of the income.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme.

Restricted fixed asset funds represent monies received in respect of, and spent on, fixed assets. This includes assets inherited on conversion. The total resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Material transfers between funds

The Trustees have approved a transfer of 1% of GAG expenditure (£119,707) to other restricted funds as shown in the above table, in respect of management fees.

£132,686 was transferred from GAG to the restricted fixed asset fund, representing unfunded capital expenditure.

Summary

The combined balance on restricted general funds (excluding pension reserve) plus unrestricted general funds at 31 August 2019 is £2,824,800.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General Funds	610,913	171,133	(67,787)	-	-	714,259
Restricted general funds						
General Annual Grant (GAG)	3,453,977	10,140,519	(11,339,969)	(210,458)	-	2,044,069
Other DfE/ESFA grants	752,675	604,138	(562,946)	(22,180)	-	771,687
Other government grants	291,393	514,423	(637,266)	(13,895)	-	154,655
School fund	143,080	150,373	(151,630)	-	-	141,823
Other income	330,446	380,606	(347,871)	(30,172)	-	333,009
Pension reserve	(2,067,000)	-	(506,000)	-	1,069,000	(1,504,000)
	<u>2,904,571</u>	<u>11,790,059</u>	<u>(13,545,682)</u>	<u>(276,705)</u>	<u>1,069,000</u>	<u>1,941,243</u>
Restricted fixed asset funds						
Transfer from Local Authority	21,102,694	-	-	-	-	21,102,694
DfE/ESFA capital grants	941,850	43,201	(77,679)	(47,153)	-	860,219
Capital expenditure from GAG	3,398,885	-	(234,803)	323,858	-	3,487,940
Capital expenditure from other income	497,135	-	(40,605)	-	-	456,530

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

19. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
	25,940,564	43,201	(353,087)	276,705	-	25,907,383
Total Restricted funds	<u>28,845,135</u>	<u>11,833,260</u>	<u>(13,898,769)</u>	<u>-</u>	<u>1,069,000</u>	<u>27,848,626</u>
Total funds	<u><u>29,456,048</u></u>	<u><u>12,004,393</u></u>	<u><u>(13,966,556)</u></u>	<u><u>-</u></u>	<u><u>1,069,000</u></u>	<u><u>28,562,885</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	25,548,265	25,548,265
Current assets	817,282	2,585,123	6,470	3,408,875
Creditors due within one year	-	(559,010)	-	(559,010)
Creditors due in more than one year	-	(18,595)	-	(18,595)
Provisions for liabilities and charges	-	(3,536,000)	-	(3,536,000)
Total	<u><u>817,282</u></u>	<u><u>(1,528,482)</u></u>	<u><u>25,554,735</u></u>	<u><u>24,843,535</u></u>

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	25,907,298	25,907,298
Current assets	908,474	3,725,217	85	4,633,776
Creditors due within one year	(194,215)	(255,180)	-	(449,395)
Creditors due in more than one year	-	(24,794)	-	(24,794)
Provisions for liabilities and charges	-	(1,504,000)	-	(1,504,000)
Total	714,259	1,941,243	25,907,383	28,562,885

21. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(2,171,350)	(1,962,163)
Adjustments for:		
Depreciation	388,817	353,086
Capital grants from DfE and other capital income	(157,873)	(43,201)
Interest receivable	(18,531)	(26,854)
Defined benefit pension scheme cost less contributions payable	437,000	449,000
Defined benefit pension scheme finance cost	47,000	57,000
Increase in debtors	(104,387)	(48,568)
Increase in creditors	103,416	315,735
Loss on disposal of fixed assets	254,381	-
Net cash used in operating activities	(1,221,527)	(905,965)

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	18,531	26,854
Purchase of tangible fixed assets	(284,165)	(343,642)
Capital grants from DfE Group	157,873	43,201
Net cash used in investing activities	(107,761)	(273,587)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,800,879	4,130,167
Total cash and cash equivalents	2,800,879	4,130,167

24. Pension commitments

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £939,334 (2018 - £908,837).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £520,000 (2018 - £497,000), of which employer's contributions totalled £396,000 (2018 - £378,000) and employees' contributions totalled £ 124,000 (2018 - £119,000). The agreed contribution rates for future years are 19.1 per cent for employers and various 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.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	2.7	2.8
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.5	24.1
Females	25.2	26.6

Sensitivity analysis

	2019	<i>2018</i>
	£000	£000
Discount rate -0.1%	312,800	231,600
Mortality assumption - 1 year increase	493,160	376,400

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

	At 31	<i>At 31 August</i>
	August 2019	<i>2018</i>
	£	£
Equities	6,418,890	5,771,380
Corporate bonds	1,406,880	1,185,900
Property	879,300	869,660
Cash and other liquid assets	87,930	79,060
Total market value of assets	8,793,000	7,906,000

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

The actual return on scheme assets was £267,000 (2018 - £386,000).

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

	2019 £	2018 £
Current service cost	(784,000)	(827,000)
Past service cost	(49,000)	-
Interest income	227,000	179,000
Interest cost	(274,000)	(236,000)
Total amount recognised in the Statement of financial activities	(880,000)	(884,000)

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

	2019 £	2018 £
At 1 September	9,410,000	9,024,000
Current service cost	784,000	827,000
Interest cost	274,000	236,000
Employee contributions	124,000	119,000
Actuarial losses/(gains)	1,815,000	(683,000)
Benefits paid	(127,000)	(113,000)
Past service costs	49,000	-
At 31 August	12,329,000	9,410,000

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

	2019 £	2018 £
At 1 September	7,906,000	6,957,000
Interest income	227,000	179,000
Actuarial gains	267,000	386,000
Employer contributions	396,000	378,000
Employee contributions	124,000	119,000
Benefits paid	(127,000)	(113,000)
At 31 August	8,793,000	7,906,000

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

25. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	22,899	33,566
Later than 1 year and not later than 5 years	5,164	26,071
	<u>28,063</u>	<u>59,637</u>

26. 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.

27. Related party transactions

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

G Arnold, member and chair of trustees, is also a member and the chair of trustees at The Acorn EBS Free School Ltd. During the year the academy has paid £54,720 (2018 - £56,455) to The Acorn EBS Free School Ltd in respect of educational services. No amounts were outstanding at the year end.

Prof H Gross, trustee, is Acting Head of College at the University of Lincoln. This role includes responsibility for negotiations with the academy for the SCITT. As a result, it was suggested that Prof H Gross take a period of sabbatical leave until conclusion of negotiations to avoid a conflict of interest. During the year the academy has paid £111,325 to the University of Lincoln. No amounts were outstanding at the year end.

Trustees remuneration has been included in Note 11.

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £47,824 (2018 - £54,637) and disbursed £47,824 (2018 - £54,637) from the fund.

ST GEORGE'S ACADEMY TRUST
(A company limited by guarantee)

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

29. Teaching school trading account

	2019	2019	2018	2018
	£	£	£	£
Income				
Direct income				
Other income	355,500		270,650	
Other income				
Fundraising and other activities	1,175		892	
Total income		356,675		271,542
Expenditure				
Direct expenditure				
Other direct costs	218,688		175,044	
Other expenditure				
Other staff costs	101,835		80,843	
Other support costs	16,226		15,829	
Total other expenditure	118,061		96,672	
Total expenditure		336,749		271,716
Surplus/(deficit) from all sources		19,926		(174)
Teaching school balances at 1 September 2018		(2,816)		(2,642)
Teaching school balances at 31 August 2019		17,110		(2,816)