

South York Multi Academy Trust
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL
STATEMENTS
for the nine month period ended
31 August 2018

Company Registration No. 11082297

South York Multi Academy Trust
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South York Multi Academy Trust
REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr A Pennington (Chair) Canon P Warry Ms R Heenan York St John University The Diocese of York Educational Trust
Trustees	Mr A Pennington (Chair) Mrs C Graham-Brown Mr I Dolben Mr T Flemming Mr M Horne Mrs S Powley Mrs P Setty Mr I Warman Mr J Williams
Executive Group:	
CEO and Accounting Officer	Mrs L Savage (Headteacher Fulford School)
Finance Director and Company Secretary	Mr S Bradford
Senior Leadership Team:	Mrs C Hancy (Headteacher, Dunnington CE Primary School) Ms A Shaw (Headteacher, Wheldrake with Thorganby CE School)
Registered Office	Fulford School Fulfordgate Heslington Lane Fulford York YO10 4FY
Company Registration Number	11082297 (England and Wales)
Independent Auditor	Murray Harcourt Limited 6 Queen Street Leeds LS1 2TW

South York Multi Academy Trust

TRUSTEES' REPORT

The Trustees present their first annual report together with the financial statements and auditor's report for the South York Multi Academy Trust (the Trust) for the period from its incorporation on 24 November 2017 to 31 August 2018. This annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

On 1 January 2018 the Trust commenced operations with the transfer in of its first secondary academy, Fulford School based in York. Dunnington CE Primary School and Wheldrake with Thorganby CE Primary School joined the Trust on 1 March 2018 and 1 July 2018 respectively.

Both primary schools serve village communities on the outskirts of York. The Trust's academies had a roll of 1,919 in the school census on 5 October 2018.

Following the year end a third primary school (Archbishop of York's CE Primary School) joined the trust on 1 November 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of the South York Multi Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as the South York Multi Academy Trust.

Details of the Trustees who served throughout the period 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 Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. In accordance with normal commercial practice, the Trust has procured insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This was effected by joining the Department for Education's Risk Protection Arrangement (RPA) on 1 January 2018. Under this arrangement, the Trustees are indemnified up to a liability of £10m. It is not possible to quantify the Trustees and Officers indemnity element of the overall cost of the RPA scheme.

Method of Recruitment and Appointment or Election of Trustees

The Trust must have a minimum of 3 and maximum of 11 Trustees. Up to ten Trustees may be appointed by the Members in line with procedures set out in the Memorandum of Understanding. One Trustee is appointed by the Diocese of York Educational Trust (DYET). Employees of the Trust must not exceed one third of the Trust Board.

The Trust, on identifying a need to recruit an additional or replacement Trustee, refers to the trustee skills audit. This identifies key skill areas that the Trust believes are important to have on the Board to ensure effective governance. Trustees will then consider offers of service received from within and beyond the school community and the Trust may choose to advertise locally through the school website and other media channels. Selection will be by interview with the Chair and Chief Executive Officer before the candidate is presented to the Trust for their consideration and a vote on whether to accept them as a Trustee. Before confirming selection, all Trustees will be required to undertake an Enhanced Disclosure via the DBS (Disclosure Barring Service) and will be required to sign the Trust Ethos Statement.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are offered induction training on joining the Trust from the school informed by the National Governance Association, City of York Council Governance Service and the DYET. Governors will be encouraged to access training as and when necessary and a record duly kept of such training being accessed. The costs of such training will be reimbursed by the Trust.

Organisational Structure

The members of the Trust have a wholly strategic view of the Trust, ensuring its vision, values and reporting responsibilities are delivered.

The Trustees ensure the Trust fulfils its aims and that the Trust Board provides support and challenge to the central Trust team and individual schools. The Trust Board fulfils its statutory duties and holds stakeholders to account when required. They have a key oversight role as well as being involved in the management and development of the Trust and its shared services. They are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets, securing standards and statutory compliance within the Trust schools, and in making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

Each academy in the Trust has a Local Governing Body (LGB). The LGBs are focussed on the interests and improvement of their individual academy. Parental and staff representatives are included on LGBs.

The Executive Group consists of the Chief Executive Officer and Finance Director. The Chief Executive Officer is the Multi Academy Trust's Accounting Officer. These managers control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Executive Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff with support from the Trustees and the Senior Leadership Team. Some spending control is devolved to members of the Senior Leadership Team, with limits above which an Executive Group member must countersign.

The Senior Leadership Team includes the Executive Group and the Headteachers of the individual schools. These leaders are responsible for the day-to-day operation of the Trust, in particular organising the teaching staff, facilities, pupils and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key Management Personnel for the Trust is defined as Trustees, the Executive Group and Senior Leadership Team. Trustees do not receive remuneration for their role as Trustees.

The Executive Group includes the Chief Executive Officer and the Finance Director, who are all subject to an individual annual performance review, which is carried out in accordance with the South York Multi Academy Trust Personal Development (Appraisal) Policy. This policy is also used to determine the pay and remuneration for Headteachers and other senior leaders within the Trust. Any adjustments to their pay and remuneration is dealt with at LGB and Trust Board level, through the Scheme of Delegation and the Trustee Pay & Performance Review Committee. Any changes to the appraisal process or policy in relation to this will be agreed by the Trustees.

Trade Union Facility Time

During the period the Trust had no employees who were relevant Trade Union officials. To provide employees who are members of Trade Unions with access to union representation, the Trust procured outsourced services from City of York Council at a cost of £4,779.

Related Parties and other Connected Charities and Organisations

The Trust does not consider itself to have any significant related parties or other such organisations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of the South York Multi Academy Trust to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum.

The Trust's aims are to advance the education and personal development of students of different abilities between the ages of 4 and 19. We aim to ensure that students will learn, achieve and develop as positive members of the school and wider community.

The aims and values of the Trust are:

support - inspire - achieve - flourish

We are a strong and inclusive partnership of schools working together to support and inspire all children, young people and families in our communities to achieve and flourish.

We hold our schools and ourselves to account to a set of values. Our schools are always:

- **Inclusive** – our schools work tirelessly to meet the needs of every child and young person and overcome disadvantage. We embrace diversity in our communities, and we promote distinctiveness in our schools.
- **Aspirational** - our schools have high expectations for every learner and member of staff. We want our children and young people to make the most of every opportunity in life.
- **Responsible** - our schools have a social responsibility to serve the community first and foremost. We always use our resources responsibly and transparently.
- **Collaborative** - our schools work in equal partnership with one another, and with their school communities. We devolve control and responsibility to the appropriate level, encouraging the participation of those we serve and those who work for us.

Objectives, Strategies and Activities

The Trust academies work together to improve the learning, achievement and personal development of all the people in their communities. The Trust strives to provide the highest standards of education and support for all and to maximise the opportunities for the people in its schools and its communities. Its academies achieve this by continuous reflection, review, improvement and innovation.

The Trust's strategic improvement priorities for 2018/19 cover the following areas:

1.	Developing systems and support for effective leadership and governance across the Trust
2.	Oversight of the successful growth and expansion of the Trust
3.	Ensuring all our schools are good or better and that they meet appropriately challenging targets for all key performance measures
4.	Focusing our school improvement work on identified key priorities for the Trust and its individual schools
5.	Deploying our resources fairly and appropriately to provide the best value and highest impact for all our schools and young people
6.	Implementing financial systems that provide security, transparency and compliance
7.	Further developing our risk management, critical incident and business continuity plans so that they are robust and fit for purpose
8.	Building systems and processes that ensure the Trust and all of the schools within it are compliant with Health and Safety and other regulatory requirements
9.	Developing a Trust core team and shared services that have the capacity and skills to deliver on the Trust's vision for its schools
10.	Ensuring our HR systems and Policies are consistently applied across the Trust and ensuring we build our reputation as an excellent employer
11.	Developing collaborative improvement work across the schools at leadership levels that improve outcomes for young people and increase efficiency

Public Benefit

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.

STRATEGIC REPORT

Achievements and Performance

The Trust operates a rigorous programme of self-evaluation which leads directly to the creation of improvement plans, targeted at whole school, subject and phase level. Trust schools are subject to external review with outcomes reported directly to the LGBs and shared with the CEO. Regular monitoring of performance data and outcomes is carried out at LGB level and Headteacher Board level with the CEO and Trust Standards sub-committee carrying out further scrutiny. Key performance indicators and areas identified for Trust support are reported to the full Trust Board. Primary school data is reviewed at least termly by the LGBs, Headteacher Board and CEO. Secondary performance is reviewed after key data capture such as following mock examinations. Areas of risk are communicated rapidly to the LGB, Headteacher Board and CEO and actioned by the Trust to bring about improvement which can be prompt and impactful.

Fulford School's performance in GCSE and A Level examinations continues to be outstanding with a progress 8 score of +0.31 and post-16 levels of value added achievement in the top 10% of schools nationally (0.28). The school continues its embedded trend of strong results and high value added outcomes at sig+ at KS4. Outcomes remain well above national average. The school is subject to a rigorous ongoing monitoring and evaluation process with an annual external review. Fulford School has robust systems to drive school improvement and to ensure strong oversight from the Local Governing Body.

Performance of the two primary schools within the Trust has been strong with both schools graded good by OFSTED and achieving an outstanding grade in their SIAMS inspections. External review confirms the continued accuracy of the overall effectiveness grading.

Dunnington CE Primary has maintained results which are in line with or above national at key stage one with a high proportion of pupils securing the expected standard by the end of key stage one and an above national average proportion of pupils achieving greater depth in reading and mathematics. The school's KS2 attainment across all subjects (individually and combined) at expected standard and greater depth standard compares favourably with national averages with the exception of writing at greater depth, where the 2018 standards were in line with national proportions.

Wheldrake with Thorganby CE Primary achieved key stage one outcomes broadly in line with national average. End of KS2 outcomes were high and above local and national averages with positive progress made in all subject areas.

Going Concern

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

South York Multi Academy Trust TRUSTEES' REPORT

FINANCIAL REVIEW

Most of the Trust's Income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period the surplus of income over expenditure (excluding the pensions reserve) was £16,344,000, including cash transferred on conversion of £614,000 and fixed assets of £14,866,000. Excluding balances transferred in, the underlying surplus was £808,000 (prior to transfers to the pensions reserve).

Including the pensions reserve, total funds at the period end comprised:

	2018 £'000
Unrestricted funds	715
Restricted general funds	(1,197)
Restricted fixed asset funds	15,629
Total	15,147

At 31 August 2018, the net book value of tangible fixed assets was £14,812,000 with movements being shown in note 10 to the financial statements. The assets were used for providing education and the associated support services to the students of the Trust.

Reserves Policy

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

During the period three academies joined the Trust contributing to the current level of reserves as at 31 August 2018.

The Trustees have determined that an appropriate level of free reserves should be maintained to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees have agreed that an appropriate range for Unrestricted Reserves has been established at between 2% and 5% of unrestricted income for each financial year of the combined General Annual Grant (GAG) and Top-Up funding of constituent schools in the Trust.

Unrestricted Funds held by the Trust at 31 August 2018 were £715,000 and Restricted General Funds (excluding Pension Reserve) were £nil. Therefore, a net surplus in relation to revenue funds of £715,000 is available to the Trust, of which £715,000 constitutes free reserves.

Trustees continue to seek opportunities to further bolster the Trust's reserves position during a period of tight financial funding for schools and regularly review financial reports and projections.

Investment Policy

The Trust has delegated authority to the Finance Director to invest funds in line with its investment policy. The Trust will only look to invest funds where held cash balances are expected to be over and above a projected 3 month operating cash/expenditure requirement.

Where this requirement is met the Trust will only look to invest up to the limit of the government backed Financial Services Compensation Scheme in a single entity.

South York Multi Academy Trust TRUSTEES' REPORT (continued)

Principal risks and uncertainties

The Finance and Resources Committee undertakes a comprehensive review of the risks to which the Trust is exposed. It identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Finance and Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

A risk register is maintained at the Trust level which is reviewed at least annually by the Finance and Resources Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

1. Government funding

The Trust has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA). There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

Pupil numbers are the key driver of ESFA funding and every effort is made to ensure school pupil and student numbers are protected. Maintaining and growing the numbers of Sixth Form students is a critical priority for the Trust, particularly in the light of cuts in 16-19 funding.

Protecting the Trust from reputational damage is a key component of our risk strategy and this includes an ongoing focus on achieving excellent outcomes and in providing a high standard of education in all the Trust schools.

2. Manage the growth of the Trust

The Trust has plans to grow in size and is undertaking thorough due diligence on prospective member schools in order to fully understand their risk profiles. The Trust is focussed on building capacity to ensure that growth is controlled, sustainable and leads to improvement in the Trust and any new partner schools. Effective governance is at the heart of our growth strategy.

3. Maintain adequate funding to support increased pension contributions and salary costs

2019 sees an increase in the employer's pension contributions paid by the Trust to the Teachers' Pension Fund. Full details of the DfE support for the ongoing costs of this and for future pay awards after 2018/19 are yet to be communicated to schools.

4. Minimise the risk of litigation against the Trust

Leaders and Trustees are highly focused on the need to ensure that the risks of litigation from employees, customers, suppliers, parents, pupils and other stakeholders are minimised in order to prevent reputational damage and financial loss. Adequate insurance cover remains an absolute necessity.

5. Ensure diligence in all aspects of Health and Safety compliance

Leaders and Trustees are highly focused on the need to ensure risks of damage to property and persons are minimised by adhering to a robust Health and Safety policy and by calling on expert advice in this area where required.

6. Ensure ongoing cash solvency

Leaders work closely with the Finance and Resources Committee to ensure internal controls are in place to minimise the possibility of unexpected financial losses. The Trustees are receptive to all recommendations noted by the external auditors in their financial and regularity audits, with a view to improving all aspects of internal financial control.

**South York Multi Academy Trust
TRUSTEES' REPORT (continued)**

Scrutiny of financial information by the Local Governing Bodies helps to ensure due diligence in all aspects of financial planning and budgeting, including cash management and forecasting.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None in the period.

PLANS FOR FUTURE PERIODS

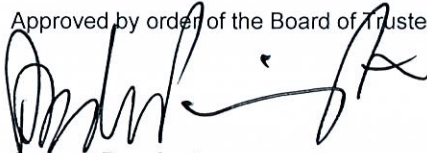
The Trust plans to welcome an additional school into the Multi Academy Trust during the 2018/19 financial year, pending approval by the Department for Education and the completion of due diligence. There is a concentration on ensuring that the MAT growth is controlled and sustainable. We will continue to develop our governance, systems, support structures, shared services and our ongoing improvement work to maximise the outcomes, opportunities and value for money that we provide to our communities.

AUDITORS

Murray Harcourt Limited were appointed auditors during the period and have indicated their willingness to continue in office.

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

Approved by order of the Board of Trustees at its meeting on 13 December 2018 and signed on its behalf by:



Andrew Pennington

Chair of Trustees

South York Multi Academy Trust

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the South York Multi Academy Trust and the Secretary of State for Education. He/she is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr A Pennington (Chair)	7	7
Mr I Dolben	7	7
Mr T Flemming	5	7
Mrs C Graham-Brown	4	7
Mr M Horne	4	7
Mrs S Powley	6	7
Mrs M Setty	6	7
Mr I Warman	6	7
Mr J Williams	6	7

In the initial period, the Finance and Resources Committee (which also represents the Audit Committee) has formed part of the remit of the full Board of Trustees. Given this, attendance at Audit Committee meetings is also outlined above. This enabled the full Trust Board to review the internal controls and risk profile of the Trust and to ensure the highest levels of probity were achieved during the expansion of the Trust and the early phase of its operation

Review of Value for Money

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

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

1. Improving the effectiveness of resource-use:

- Ensuring funding and resources are targeted at school improvement priorities and in supporting all in our communities to maximise their potential;
- Ensuring that spending on goods and services is reviewed to deliver economies of scale and improved value for money when securing goods and service provision;
- Successfully achieving grant funding to support the growth and development of the MAT and to support its ongoing improvement work;
- Creating and supporting significant CPD opportunities for MAT staff to promote further development and improvement at personal, school and MAT level; and

South York Multi Academy Trust GOVERNANCE STATEMENT (continued)

- Ensuring school facilities are kept in a good state of repair, that these meet changing needs and that they are used by the local community and to generate additional income where possible.

2. Robust governance and oversight of Trust finances

The Multi Academy Trust places a high emphasis on the competency and experience of its governing bodies and regularly reviews its governors' skills matrix to ensure there is sufficient coverage in each area and in the area of finance in particular. Several governors are either qualified accountants or have finance expertise and their representation is a key component in ensuring robust governance and oversight of Academy Trust finances.

When appropriate, the Multi Academy Trust consults with professional experts to advise on financial aspects.

The Local Governing Bodies review budget projections in detail and receive and review regular financial reports. Trustees approve the Multi Academy Trust budget each year and are mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. Trustees also receive and approve the Annual Accounts and the External Auditor's Management Report.

3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources.

The Trust regularly reviews financial performance and the use of resources 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 to ensure that long term contracts (3 to 5 years) remain competitive.

4. Maximising income generation

The Trust explores every opportunity to generate income through hire of school facilities and through running events and conferences and after-school activities. Business opportunities are taken following careful review of the risks and impact of doing so and the Trust understands the need to invest carefully to develop its future operations.

Opportunities to bid for additional funding are actively sought.

5. Reviewing controls and managing risks

Financial reports are produced and reviewed by the Finance Director and the Headteachers and any necessary remedial action required is taken to address any significant variances that may have an impact on the budget out-turn. These variances are reviewed by the Local Governing Bodies.

The Finance and Resources Committee is charged with reviewing the Trust's risk register and steers and oversees the programme to deliver reassurance under the terms of the Academies Financial Handbook.

Trust policies are carefully reviewed to ensure they remain useful, relevant and compliant with best practice and statutory requirements.

The Trust is a member of the Risk Protection Arrangement (RPA) and takes expert advice on those additional insurance covers that fall outside the scope of the RPA.

6. Reviewing operations to maximise use of resources

The Headteachers, LGBs and leadership teams review income and expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, the curriculum offer and any new strategies identified in the school improvement plans. Governors are consulted in detail on major investment and resource decisions.

South York Multi Academy Trust GOVERNANCE STATEMENT (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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the South York Multi Academy Trust for the period ended 31 August 2018 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by Local Governing Bodies 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Murray Harcourt the external auditor, to carry out additional internal scrutiny as permitted by the Academies Financial Handbook.

The additional internal scrutiny includes performing certain additional audit tests to those necessary for the purpose of the external statutory audit, and for other existing audit tests, selecting an extended sample size to provide the Trustees with supplementary comfort. The internal scrutiny conducted during the current period comprised:

- testing of payroll systems

The findings of the internal scrutiny are reported to the Trustees via the Finance and Resources Committee. The Trustees confirm that:

- the schedule of work for additional internal scrutiny was completed as planned; and
- no material control deficiencies were noted as part of this review.

South York Multi Academy Trust
GOVERNANCE STATEMENT (continued)

Review of effectiveness

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

- the work in relation to additional internal scrutiny
- the work of the external auditor
- the financial management and governance self-assessment process
- the completion of an independent review of integrated curriculum financial planning
- the work of the Finance Director, Headteachers and LGBs managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

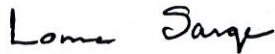
Approved by order of the members of the Board of Trustees on 13 December 2018.

Signed on its behalf by:



Andrew Pennington

Chair of Trustees



Lorna Savage

Accounting Officer

South York Multi Academy Trust
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer South York Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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 the ESFA.



Lorna Savage
Accounting Officer

13 December 2018

South York Multi Academy Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Governors of South York Multi Academy Trust and 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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

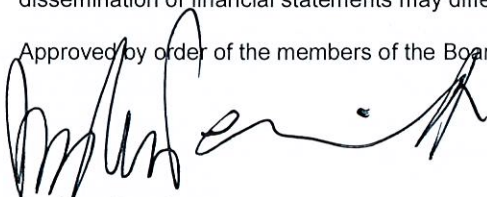
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 13 December 2018 and signed on its behalf by:



Andrew Pennington
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH YORK MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of South York Multi Academy Trust (the 'Academy Trust') for the period ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH YORK MULTI ACADEMY TRUST (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

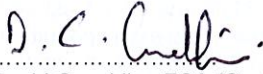
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH YORK MULTI
ACADEMY TRUST (continued)**

Use of our report

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



David Caseldine FCA (Senior Statutory Auditor)
For and on behalf of Murray Harcourt Limited, Statutory Auditor

6 Queen Street
Leeds
LS1 2TW

Date: 17/12/18

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH YORK MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South York Multi Academy Trust during the period from 24 November 2017 to 31 August 2018 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 South York Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South York Multi Academy Trust and the 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 South York Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South York Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of South York Multi Academy Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 24 November 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal control identified by our audit of the financial statements;
- Reviewing the output from a self-assessment questionnaire completed by the Academy Trust;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2017;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO SOUTH YORK MULTI ACADEMY TRUST AND THE EDUCATION AND
SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 24 November 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Reporting Accountant
Murray Harcourt Limited

Date: 17/12/18

South York Multi Academy Trust
STATEMENT OF FINANCIAL ACTIVITIES
 Incorporating Income and Expenditure Account
 for the period ended 31 August 2018

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2018 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and capital grants	1	3	2	895	900
Transfer from local authority on conversion		541	(1,653)	14,939	13,827
Incoming resources from charitable activities:					
Funding for the Academy Trust's educational operations	2	68	5,251	-	5,319
Other trading activities	3	81	-	-	81
Total		693	3,600	15,834	20,127
EXPENDITURE ON:					
Charitable activities:					
Academy Trust's educational operations	4	37	5,346	205	5,588
Total		37	5,346	205	5,588
NET INCOME/(EXPENDITURE)		656	(1,746)	15,629	14,539
Gross transfers between funds	13	59	(59)	-	-
OTHER RECOGNISED GAINS					
Actuarial gains on defined benefit pension scheme	22	-	608	-	608
NET MOVEMENT IN FUNDS		715	(1,197)	15,629	15,147
TOTAL FUNDS ON INCORPORATION		-	-	-	-
TOTAL FUNDS CARRIED FORWARD at 31 August 2018		715	(1,197)	15,629	15,147

All of the Academy Trust's activities derive from continuing operations during the above financial period.

South York Multi Academy Trust
BALANCE SHEET
As at 31 August 2018

Registration number: 11082297

	Notes	2018 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	10		14,812
CURRENT ASSETS			
Debtors	11	730	
Cash at bank and in hand	18	<u>1,178</u>	
			1,908
CREDITORS: Amounts falling due within one year	12	<u>(376)</u>	
NET CURRENT ASSETS			1,532
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,344</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>16,344</u>
Pension scheme liability	22		<u>(1,197)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>15,147</u>
FUNDS OF THE ACADEMY TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	13		15,629
General fund	13		-
Pension reserve	13		<u>(1,197)</u>
TOTAL RESTRICTED FUNDS			<u>14,432</u>
UNRESTRICTED FUNDS			
General funds	13		<u>715</u>
TOTAL UNRESTRICTED INCOME FUNDS			<u>715</u>
TOTAL FUNDS			<u>15,147</u>

The financial statements on pages 20 to 38 were approved by the Trustees and authorised for issue on 13/12/2018, and are signed on their behalf by:



Andrew Pennington

Chair of Trustees

South York Multi Academy Trust
CASH FLOW STATEMENT
for the period ended 31 August 2018

	Notes	2018 £'000
CASH FLOWS FROM OPERATING ACTIVITIES	16	(180)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES	17	744
CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST		614
		<hr/>
INCREASE IN CASH IN THE PERIOD		1,178
		<hr/>
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2018		1,178
		<hr/> <hr/>

South York Multi Academy Trust
ACCOUNTING POLICIES
for the period ended 31 August 2018

Statement of accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- Donations

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

- Other Income

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

South York Multi Academy Trust
ACCOUNTING POLICIES (continued)
for the period ended 31 August 2018

Income (continued)

- Donated goods, facilities and services

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

- Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

- Donated fixed assets (excluding Transfers on conversion/into the academy trust)

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

Expenditure

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

- Expenditure on Raising Funds This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- Charitable Activities These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Depreciation is provided on all tangible fixed assets other than freehold land 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:

- Freehold buildings 60 years
- Computer equipment 5 years

South York Multi Academy Trust
ACCOUNTING POLICIES (continued)
for the period ended 31 August 2018

Tangible Fixed Assets (continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges. Leased Assets Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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. 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.

Taxation

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

Pensions

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

South York Multi Academy Trust
ACCOUNTING POLICIES (continued)
for the period ended 31 August 2018

Pensions (continued)

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. 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.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2018

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
Capital grants	-	895	895
Other donations	3	2	5
	<u>3</u>	<u>897</u>	<u>900</u>

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
DfE/ESFA GRANTS			
General Annual Grant (GAG)	-	4,593	4,593
Other DfE/ESFA grants	-	180	180
	<u>-</u>	<u>4,773</u>	<u>4,773</u>
OTHER GOVERNMENT GRANTS			
SEN from Local Authority	-	89	89
Other Local Authority grants	-	196	196
Other grants	-	2	2
	<u>-</u>	<u>287</u>	<u>287</u>
OTHER INCOME			
Catering income	66	-	66
Academy trips	-	191	191
Music tuition	2	-	2
	<u>68</u>	<u>191</u>	<u>259</u>
Total	<u>68</u>	<u>5,251</u>	<u>5,319</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000
Income from lettings	32	-	32
Other income	49	-	49
	<u>81</u>	<u>-</u>	<u>81</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

4 EXPENDITURE

	Staff costs £'000	Non Pay Expenditure		2018 Total £'000
		Premises £'000	Other £'000	
Academy's educational operations:				
Direct costs	3,671	205	465	4,341
Allocated support costs	555	390	302	1,247
	<u>4,226</u>	<u>595</u>	<u>767</u>	<u>5,588</u>

Net income/(expenditure) for the period includes:	2018 £'000
Depreciation	205
Fees payable to auditor for: Audit	<u>16</u>

5 CHARITABLE ACTIVITIES

	2018 £'000
Direct costs – educational operations	4,341
Support costs – educational operations	<u>1,247</u>
	<u>5,588</u>

Analysis of support costs

	Educational operations £'000	2018 Total £'000
Staff costs	554	554
Premises costs	390	390
Governance costs	75	75
Other support costs	228	228
Total support costs	<u>1,247</u>	<u>1,247</u>

Expenditure on the Academy Trust's educational operations amounted to £5,588,000 of which £38,000 was attributable to unrestricted and £5,551,000 was attributable to restricted funds.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

6 STAFF COSTS

	2018 £'000
a. Staff costs	
Staff costs during the period were:	
Wages and salaries	3,137
Social security costs	318
Operating costs of defined benefit pension schemes	655
Apprenticeship levy	4
	4,114
Supply costs	112
	4,226

b. Staff numbers

The average number of persons employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2018 No.
Charitable activities	
Teachers	129
Administration and support	83
Management	5
	217

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No.
£60,001 - £70,000	1

The above employees participated in the Teachers' Pension Scheme. Pension contributions for these staff amounted to £10,220.

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees, the Executive Group and the Senior Leadership 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 £188,143.

7 CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the period:

- Human resources;
- Educational support services;
- Financial services; and
- Governance.

The Trust did not charge for these services during the period ended 31 August 2018.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

8 RELATED PARTY TRANSACTIONS – Trustees’ remuneration and expenses

No Trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The CEO (who is also the Accounting officer) continues to be paid on the same basis as for her role as Headteacher of Fulford school:

L Savage (CEO and Accounting Officer):

Remuneration: £60,001 - £65,000 (Annualised: £90,001 - £95,000)

Employer’s pensions contributions: £10,001 - £15,000 (Annualised: £15,001 - £20,000)

During the year ended 31 August 2018, no travel and subsistence expenses were reimbursed or paid directly to a Member.

9 TRUSTEES’ AND OFFICERS INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element of the overall cost of the RPA scheme.

10 TANGIBLE FIXED ASSETS

	Land and buildings £’000	Computer equipment £’000	Motor vehicles £’000	Assets under construction £’000	Total £’000
Cost					
Transfer on conversion	14,700	162	4	-	14,866
Additions	48	45	-	58	151
At 31 August 2018	14,748	207	4	58	15,017
Depreciation					
Charged in period	171	30	4	-	205
At 31 August 2018	171	30	4	-	205
Net book values					
At 31 August 2018	14,577	177	-	58	14,812

Further details regarding assets transferred on conversion are provided at note 24.

11 DEBTORS

	2018 £’000
Trade debtors	26
Other debtors	554
VAT recoverable	69
Prepayments and accrued income	81
	<u>730</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

12 CREDITORS: Amounts falling due within one year

	2018 £'000
Trade creditors	308
Accruals and deferred income	68
	<u>376</u>

Deferred income

	2018 £'000
Resources deferred in the year:	
- Rates	22
Deferred income at 31 August	<u>22</u>

13 FUNDS

	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds				
General Annual Grant (GAG)	4,593	(4,534)	(59)	-
Other DfE/ESFA grants	180	(180)	-	-
LEA and other grants	287	(287)	-	-
Other restricted	193	(193)	-	-
	<u>5,253</u>	<u>(5,194)</u>	<u>(59)</u>	<u>-</u>
Pension reserve	(1,653)	(152)	608	(1,197)
	<u>3,600</u>	<u>(5,346)</u>	<u>549</u>	<u>(1,197)</u>
Restricted fixed asset funds				
DfE/ESFA capital grants	895	(1)	-	894
Transferred on conversion	14,939	(204)	-	14,735
	<u>15,834</u>	<u>(205)</u>	<u>-</u>	<u>15,629</u>
Total restricted funds	<u>19,434</u>	<u>(5,551)</u>	<u>549</u>	<u>14,432</u>
Unrestricted funds				
Unrestricted funds	693	(37)	59	715
Total unrestricted funds	<u>693</u>	<u>(37)</u>	<u>59</u>	<u>715</u>
Total funds	<u>20,127</u>	<u>(5,588)</u>	<u>608</u>	<u>15,147</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

13 FUNDS (continued)

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

- (i) Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.
- (ii) Local Authority funding was received in the current period. This is restricted for provision of SEN and early years.
- (iii) The pension reserve relates to the pension deficit for the Local Government Pension Scheme (LGPS).

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total
	£'000
Fulford School	648
Dunnington CE Primary School	38
Wheldrake with Thorganby CE School	28
Central MAT	1
Total before fixed assets and pension reserve	<u>715</u>
Restricted fixed asset fund	15,629
Pension reserve	<u>(1,197)</u>
Total	<u>15,147</u>

Analysis of academies by cost

Expenditure incurred by each academy during the period (or part thereof) was as follows:

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Dep'n) £'000	Total £'000
Fulford School	3,210	478	268	701	4,657
Dunnington CE Primary School	348	62	22	96	528
Wheldrake with Thorganby CE School	113	10	1	20	144
Central MAT	-	4	-	50	54
	<u>3,671</u>	<u>554</u>	<u>291</u>	<u>867</u>	<u>5,383</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	14,812	14,812
Current assets	715	313	880	1,908
Current liabilities	-	(313)	(63)	(376)
Pension scheme liability	-	(1,197)	-	(1,197)
Total net assets	715	(1,197)	15,629	15,147

15 CAPITAL COMMITMENTS

2018
£'000

Contracted for, but not provided in the financial statements 801

16 RECONCILIATION OF NET INCOME TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

2018
£'000

Net income for the reporting period	14,539
Depreciation	205
Capital grants from DfE and other capital income	(895)
Donations – transfer from local authority on conversion	(13,827)
Pension current service cost less contributions payable	130
Pension finance cost	22
Increase in debtors	(730)
Increase in creditors	376
Net cash outflow from Operating Activities	<u>(180)</u>

17 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

2018
£'000

Purchase of tangible fixed assets	(151)
Capital grants from DfE/ESFA	895
Net cash inflow from capital expenditure and financial investment	<u>744</u>

18 ANALYSIS OF CASH AND CASH EQUIVALENTS

2018
£'000

Cash in hand and at bank	<u>1,178</u>
	<u>1,178</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

19 ANALYSIS OF CHANGES IN NET FUNDS

	Cash transferred on conversion £'000	Cash flows £'000	At 31 August 2018 £'000
Cash at bank and in hand	614	564	1,178
Net funds	614	564	1,178

20 CONTINGENT LIABILITIES

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's assets held for the purpose of the Trust, and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 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.

22 PENSION AND SIMILAR OBLIGATIONS

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no contributions outstanding payable to either scheme as at 31 August 2018.

Teachers' Pension Scheme

Introduction

The Teachers' Pensions 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.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pensions 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 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £374,000.

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

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

Principal actuarial assumptions	At 31 August 2018
Rate of increase in salaries	3.25%
Rate of increase for pensions in payment/inflation	2.00%
Discount rate for scheme liabilities	2.80%
Inflation assumption (CPI)	2.00%
Commutation of pensions to lump sums	75.00%

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

	At 31 August 2018
<i>Retiring today</i>	
Males	22.9
Females	26.4
<i>Retiring in 20 years</i>	
Males	25.1
Females	28.7

Sensitivity analysis

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	At 31 August 2018 £'000
Discount rate +0.1%	(106)
Discount rate -0.1%	109
Mortality assumption – 1 year increase	132
Mortality assumption – 1 year decrease	(133)
CPI rate +0.1%	65
CPI rate -0.1%	(64)

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000
Equities	2,125
Government bonds	567
Property	277
Cash/liquidity	11
Other	522
Total market value of assets	3,502
Present value of scheme liabilities	
- Funded	<u>(4,699)</u>
Deficit in the scheme	<u>(1,197)</u>

The actual return on scheme assets was £197,000.

Amounts recognised in the statement of financial activities	2018 £'000
Current service cost	281
Pension finance cost	<u>22</u>
Total operating charge	<u>303</u>

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a £608,000 gain.

Movements in the present value of defined benefit obligations were as follows:	2018 £'000
Balance acquired on conversion	3,467
Current service cost	281
Interest cost	68
Employee contributions	47
Actuarial gain	(457)
Benefits paid	(19)
Net increase in liabilities from transfers in	<u>1,312</u>
At 31 August	<u>4,699</u>

Movements in the fair value of Academy Trust's share of scheme assets

On conversion	2,209
Interest income	46
Actuarial gain	151
Employer contributions	151
Employee contributions	47
Benefits paid	(19)
Net increase in assets from transfers in	<u>917</u>
At 31 August	<u>3,502</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the period ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS (continued)

The estimated value of employer contributions for the year ended 31 August 2019 is £276,000.

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.

23 RELATED PARTIES

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

24 ASSETS TRANSFERRED ON CONVERSION

Fulford School	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Tangible fixed assets				
- Other fixed assets	-	-	139	139
- Land and buildings	-	-	14,700	14,700
	-	-	14,839	14,839
Pension deficit	-	(1,258)	-	(1,258)
Other identifiable assets	572	-	-	572
	572	(1,258)	14,839	14,153
Dunnington CE Primary School	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Tangible fixed assets				
- Other fixed assets	-	-	2	2
	-	-	2	2
Pension deficit	-	(183)	-	(183)
Other identifiable assets	15	-	-	15
	15	(183)	2	(166)
Wheldrake with Thorganby CE School	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Tangible fixed assets				
- Other fixed assets	-	-	21	21
	-	-	21	21
Pension deficit	-	(212)	-	(212)
Other identifiable assets	27	-	-	27
	27	(212)	21	(164)

25 AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the period ended 31 August 2018 the Trust received £5,590 and disbursed £4,116 from the fund. An amount of £14,756 is included in accruals and deferred income relating to undistributed funds that is repayable to ESFA.