

South York Multi Academy Trust
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL
STATEMENTS
for the year ended
31 August 2019

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 Canon P Warry Ms R Heenan (to 20 May 2019) Mr D Ashton (from 20 May 2019) York St John University (Mrs J Carpenter) The Diocese of York Educational Trust (Mr A Smith)
Trustees	Mr A Pennington (to 27 September 2019) Mrs C Graham-Brown Mr I Dolben Mr T Flemming Mr M Horne Mrs S Powley Mrs M Setty Mr I Warman (Chair) Mr J Williams
Executive Group:	
CEO and Accounting Officer	Mrs L Savage
Finance Director and Company Secretary	Mr S Bradford
Senior Leadership Team:	Mr J Green (Headteacher, Archbishop of York's CE Junior School) Mrs C Hancy (Headteacher, Dunnington CE Primary School) Mr S Lewis (Headteacher, Fulford 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
Bankers	Lloyds Bank
Solicitors	First North Law County Hall 6 Racecourse Lane Northallerton DL7 8AD

South York Multi Academy Trust

TRUSTEES REPORT

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

The academy trust operates two primary, one junior and one secondary school serving communities in the south east of York. Its academies had a combined roll of 2,222 in the school census on 5 October 2019.

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. Ten Trustees are 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 or to use organisations such as Academy Ambassadors to recruit candidates with a suitable skills set. 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. Nominations will then be sent to the Members for approval. 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 informed by the National Governance Association, CYC Governance Service and the Diocese of York Education (DYET) Trust. Trustees 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.

South York Multi Academy Trust TRUSTEES' REPORT (continued)

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 school improvement, ensuring 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. They include parental and staff representatives on their 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.

The Executive Group includes the Chief Executive Officer and the Finance Director, who are both 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 adjustment to leadership pay and remuneration is dealt with at LGB and Trust Board level, through the Scheme of Delegation and via the Trustee Pay Committee. Any changes to the appraisal process or policy in relation to this will be agreed by the Trustees.

Benchmarking with comparative providers is used to review salary ranges for key staff. Headteacher salaries are benchmarked in line with the relevant school pay ranges contained in the School Teachers Pay and Conditions Document.

Trade Union Facility Time

During the period the Trust had no employees who were relevant paid 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 £4,361.

Related Parties and other Connected Charities and Organisations

The Trust has contracted with one related party in the year. The Trust church schools buy into an agreement with the York Diocesan Board of Education. This is entered into by each church school independently and has been reported to the DFE in line with their requirements. The current value of these services is £1,635.

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

South York Multi Academy Trust TRUSTEES' REPORT (continued)

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.	Further developing our risk management, critical incident and business continuity plans so that they are robust and fit for purpose
7.	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
8.	Developing a Trust core team and shared services that have the capacity and skills to deliver on the Trust's vision for its schools
9.	Ensuring our HR systems and Policies are consistently applied across the Trust and ensuring we build our reputation as an excellent employer
10.	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 and Trust Board. Regular monitoring of performance data and outcomes is carried out at LGB level and Headteacher Board level with the CEO and Trust Standards 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,

South York Multi Academy Trust TRUSTEES' REPORT (continued)

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 ongoing success is recognised in it being named the Sunday Times State School of the North for the second year running. The school's performance in GCSE and A Level examinations continues to be outstanding with progress scores likely to be in the top 10% of schools for GCSE and post-16. At Key Stage Four the progress 8 score of +0.62 is almost double that achieved in 2018 with 41% of GCSE outcomes awarded at grade 7-9. Post-16 levels of value added achievement are again above 2018 levels with 0.35 for A level and 0.32 for Applied General qualifications. Student attainment remains outstanding in both Key Stage Four and Five with 50% of students achieving A*/A at A level. 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 primary schools and junior school within the Trust has been largely strong with schools graded good and outstanding by OFSTED and achieving a good and outstanding grade in their SIAMS inspections. External review confirms the continued accuracy of the overall effectiveness grading.

Dunnington CE Primary has sustained results which are in line with, or above, national at EYFS and Key Stage One, with a high proportion of pupils securing a good level of development in Reception and at the expected standard in Year 2. An above national average proportion of pupils achieve greater depth across reading, writing and maths in Key Stage One. The school's Key Stage Two attainment across all subjects (individually and combined) at expected standard and greater depth standard compares favourably with national averages. Writing at greater depth improved in 2019 impacting positively on progress measures in this aspect for the school. This reflects the success of the improvement work in this key area.

Archbishop of York's CE Junior School achieved very strong results in reading, maths and GPS in 2019. Attainment (reading, maths and GPS) and progress (reading and maths) was excellent and well above the national average. Overall the results in these subjects have improved from the previous two years. The school is performing in the top 20% nationally and higher standard results were also well above the national in these core areas, with 64% of Year 6 children achieving this measure in maths. The improved outcomes in maths reflect the success of the school's improvement work in this area. Writing attainment was broadly in line with the national figure with progress dipping from previous year. Improving progress in writing is a key focus of the current improvement plan.

Wheldrake with Thorganby CE Primary has sustained results which are in line with or above national at EYFS and Key Stage One although outcomes in Year 1 Phonics dipped last year and this is a focus for school improvement work. An above national average proportion of pupils achieved greater depth in reading and maths in Key Stage One. Attainment in Key Stage Two remains at or above the national average, although there was a dip in outcomes in 2019 apart from in performance in maths at greater depth, which rose, and in the combined reading, writing and maths performance which has been consistently above national for the last three years. Progress scores have dipped this year and writing is a particular focus for improvement.

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.

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 year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year the surplus of income over expenditure (excluding the pensions reserve) was £1,104,000 (2018: £16,344,000), including cash transferred on conversion of £44,000 (2018: £693,000) and fixed assets of £nil (2018: £14,939,000).

South York Multi Academy Trust TRUSTEES' REPORT (continued)

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

	2019	2018
	£'000	£'000
Unrestricted funds	830	715
Restricted general funds	(2,826)	(1,197)
Restricted fixed asset funds	16,618	15,629
Total	14,622	15,147

At 31 August 2019, the net book value of tangible fixed assets was £15,973,000 (2018: £14,812,000) with movements being shown in note 11 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 one academy joined the Trust contributing to the current level of reserves as at 31 August 2019.

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 2019 were £830,000 (2018: £715,000) and Restricted General Funds (excluding Pension Reserve) were £nil (2018: £nil). Therefore, a net surplus in relation to revenue funds of £830,000 (2018: £715,000) is available to the Trust, of which £830,000 (2018: £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 (FSCS) in a single entity.

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.

South York Multi Academy Trust TRUSTEES' REPORT (continued)

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. Recruitment to some of the village primary schools and budget management in line with fluctuating admissions numbers is also a focus for the Trust.

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

The Trust is currently budgeting to meet a 2% salary increase for staff. Increases above this have been funded by a DfE salary grant to academies and maintained schools.

Recruitment and retention of high quality staff is central to the success of the Trust. A Trust wide Workload Charter and competitive terms in pay and conditions operate to promote the Trust as an employer of choice.

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.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None in the period.

FUNDRAISING

The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees and Local Governing Bodies. Fundraising is carried out on a localised, individual school basis and is primarily led by Parent Teacher Associations in the school and through activities led by staff and students. Fundraising primarily focuses on community events attended by students and parents and via the selling of good such as preloved school uniform.

PLANS FOR FUTURE PERIODS

The Trust plans to welcome two additional schools into the Multi-Academy Trust during the 2019/20 financial year, pending approval by the Department for Education and the completion of due diligence and the conversion process. In addition to this the Trust intends to submit an application to act as an academy sponsor.

There is a commitment to ensure 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.

EMPLOYEE INVOLVEMENT

Each school encourages the involvement of its employees in its leadership and management through weekly meetings of the SLT, regular staff briefings, at least half-termly meetings of middle leaders and at least half-termly meetings of subject/pastoral teams. This ensures the sharing of vision and policy and discussion of key issues including the receiving of views of the staff.

DISABLED APPLICANTS AND EMPLOYEES

Disabled applicants, who may not be able to meet some of the job requirements because of their disability, should specify this detail in their job application. If a disabled applicant meets all other criteria, they will be short-listed for interview and an opportunity provided to discuss if there are ways in which the post can be modified, to meet their needs.

South York Multi Academy Trust is an equal opportunity employer committed to the elimination of discrimination throughout its employment practices. Selection criteria procedures will be reviewed frequently to ensure that individuals are selected and treated on the basis of their merits and abilities. All information is treated in confidence and personal information submitted as part of the Equal Opportunities questions will not form part of an application; the shortlisting panel do not have access to this information.

Through the support and guidance of Occupational Health, employees who have been injured or have become disabled in the course of their employment can, where possible, continue in employment with the academy, as part of the Trust.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

AUDITOR

Murray Harcourt Limited have indicated their willingness to continue in office as auditor.

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 19 December 2019 and signed on its behalf by:

Ian Warman

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. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 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 until Jan 2019)	6	8
Mr I Dolben	7	8
Mr T Flemming	5	8
Mrs C Graham-Brown	7	8
Mr M Horne	5	8
Mrs S Powley	7	8
Mrs M Setty	6	8
Mr I Warman (Chair from Jan 2019)	6	8
Mr J Williams	4	8
Ms L Savage	8	8
Mr S Bradford	8	8

Work outside main Trust Board meetings is carried out by a range of committees. These include a Finance and Resources Committee that also functions as an Audit Committee and a Curriculum and Standards Committee. There is also a Church Development Group to develop and enhance the provision and standards of the Church Schools within the Trust. A Pay Committee also exists to monitor pay decisions and the appraisal process within Trust schools and to set pay for central Trust leadership.

The Board has performed strongly over the year and has developed the operation of the committee structure and is now reviewing the committee terms of reference after the initial period of their operation. This is to streamline the work of the committees and to provide clearer delineation of the risk management undertaken by each committee. The workload of the Trust Chair was a cause for concern earlier in the year and improved delegation to members of the Trust Board, in line with distributed leadership, has sought to address this.

A review of governance has taken place via a planning day for Trustees and via scrutiny of performance at Trust Board meetings. A skills audit has also been completed by the governance service to highlight the strengths and any skills gap at Trust Board level. Trustees will shortly complete a revised skills audit that will be used to underpin further recruitment to the Trust Board. Feedback on Board and Committee performance been used to revise the terms of reference for the Trust Committees and the Headteacher membership of the committees. This has improved workload and the impact of the committee work.

The Finance and Resources Committee is a committee of the main Board of Trustees.

The main purpose of this Committee is the oversight of Trust Finance and Resources including school budget management, Trust spending decisions, HR and staffing within the Trust and issues with Trust sites including Health and Safety and resource management. The Finance and Resources Committee also functions as the Audit Committee. Given this, attendance at Audit Committee meetings is also outlined below. This governance structure enables Trustees to review the internal controls and risk profile of the Trust and to ensure the highest levels of probity operate during the expansion of the Trust and the early phase of its operation

South York Multi Academy Trust GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Finance and Resources Trust Committee

Trustee	Meetings attended	Out of possible
Mr M Horne	2	4
Mr T Flemming (Chair from Jan 2019)	4	4
Mrs M Setty	4	4
Mrs A Pennington	3	3
Mr I Warman (Chair to Jan 2019)	1	1

In attendance

Ms L Savage	4	4
Mr A Pennington	1	1
Ms J Scholes	1	3
Mr S Bradford	4	4

Standards, Curriculum, Governance and Risk Trust Committee

Trustee	Meetings attended	Out of possible
Mr I Dolben (Chair)	2	2
Mr J Williams	2	2
Mrs S Powney	2	2
Mrs C Graham-Brown	2	2
Ms C Hancy (Principal)	2	2
Ms A Shaw (Principal)	2	2
Ms J Woolgar (Appointed 13/12/18)	1	1

In attendance

Ms L Savage	2	2
Mr A Pennington	1	1
Mr I Warman	1	1

Church Schools' Development Group Trust Committee

Trustee	Meetings attended	Out of possible
Mrs C Graham-Brown (Chair)	2	2
Mr J Williams	2	2
Ms C Hancy (Principal)	2	2
Ms A Shaw (Principal)	2	2
Mr J Green (Principal)	2	2
Canon Christopher Coates	2	2
Ms R Williams	2	2
Ms J Patrick	2	2

In attendance

Ms L Savage	2	2
Mr I Warman	1	2

South York Multi Academy Trust GOVERNANCE STATEMENT (continued)

Pay, CEO and CFO Performance Management Committee

Trustee	Meetings attended	Out of possible
Mr A Pennington (Resigned from committee Jan 19)	1	1
Mr I Warman (Appointed Jan 19)	1	1
Ms M Setty (Appointed Jan 19)	1	1
Mr I Dolben	1	1
Mr J Williams (Resigned from committee Jan 19)	1	1

In attendance

Ms L Savage	1	1
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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 year by:

- 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.
- Ensuring school facilities are kept in a good state of repair, that these meet changing need and that they are used by the local community and to generate additional income where possible.
- Working closely with the Finance Director to monitor income and spending both at Trust and individual school level and to deliver economies of scale in service provision and via the development of key central services.

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 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

South York Multi Academy Trust GOVERNANCE STATEMENT (continued)

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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

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

- testing of payroll systems
- testing of purchase systems

The auditor reports to the Board of Trustees on an annual basis, through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Trust can confirm that the auditor has delivered their schedule of work as planned. No material control deficiencies were noted as part of this review.

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 of the internal auditor in relation to additional internal scrutiny
- the work of the external auditor
- school resource management self-assessment
- DfE benchmarking and local secondary school benchmarking
- 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

South York Multi Academy Trust
GOVERNANCE STATEMENT (continued)

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 19 December 2019.

Signed on its behalf by:

Ian Warman

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 2018.

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 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 the ESFA.

Lorna Savage
Accounting Officer

19 December 2019

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 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 19 December 2019 and signed on its behalf by:

Ian Warman
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 year ended 31 August 2019, 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 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 15, 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:

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 2018 to 2019, 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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 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 2018;
- 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 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.

**Reporting Accountant
Murray Harcourt Limited**

Date:

South York Multi Academy Trust
STATEMENT OF FINANCIAL ACTIVITIES
Including Income and Expenditure Account
for the year ended 31 August 2019

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2019 £'000	Total 2018 £'000
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	1	-	48	1,324	1,372	900
Transfer from local authority on conversion		44	(112)	-	(68)	13,827
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	2	208	10,023	-	10,231	5,319
Other trading activities	3	220	-	-	220	81
Investment income	4	1	-	-	1	-
Total		473	9,959	1,324	11,756	20,127
EXPENDITURE ON:						
Charitable activities:						
Academy Trust's educational operations	5	179	10,658	327	11,164	5,588
Total		179	10,658	327	11,164	5,588
NET INCOME/(EXPENDITURE)		294	(699)	997	592	14,539
Gross transfers between funds	14	(179)	187	(8)	-	-
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses)/gains on defined benefit pension scheme	23	-	(1,117)	-	(1,117)	608
NET MOVEMENT IN FUNDS		115	(1,629)	989	(525)	15,147
TOTAL FUNDS BROUGHT FORWARD at 1 September 2018		715	(1,197)	15,629	15,147	-
TOTAL FUNDS CARRIED FORWARD at 31 August 2019		830	(2,826)	16,618	14,622	15,147

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

The comparative period from incorporation on 24 November 2017 to 31 August 2018 includes eight months of operations following the academisation of the founding schools on 1 January 2018.

South York Multi Academy Trust
BALANCE SHEET
As at 31 August 2019

Registration number: 11082297

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
FIXED ASSETS					
Tangible assets	11		15,973		14,812
CURRENT ASSETS					
Debtors	12	908		730	
Cash at bank and in hand	20	<u>1,640</u>		<u>1,178</u>	
		2,548		1,908	
CREDITORS: Amounts falling due within one year	13	<u>(1,073)</u>		<u>(376)</u>	
NET CURRENT ASSETS			1,475		1,532
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,448</u>		<u>16,344</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>17,448</u>		<u>16,344</u>
Pension scheme liability	23		<u>(2,826)</u>		<u>(1,197)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>14,622</u>		<u>15,147</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		16,618		15,629
General fund	14		-		-
Pension reserve	14		<u>(2,826)</u>		<u>(1,197)</u>
TOTAL RESTRICTED FUNDS			<u>13,792</u>		<u>14,432</u>
UNRESTRICTED FUNDS					
General funds	14		<u>830</u>		<u>715</u>
TOTAL UNRESTRICTED INCOME FUNDS			<u>830</u>		<u>715</u>
TOTAL FUNDS			<u>14,622</u>		<u>15,147</u>

The financial statements on pages 21 to 39 were approved by the Trustees and authorised for issue on....., and are signed on their behalf by:

Ian Warman

Chair of Trustees

South York Multi Academy Trust
CASH FLOW STATEMENT
for the year ended 31 August 2019

	Notes	2019 £'000	2018 £'000
CASH FLOWS FROM OPERATING ACTIVITIES	17	672	(180)
Net cash generated by/(used in) operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES	18	1	-
CASH FLOWS FROM INVESTING ACTIVITIES	19	(255)	744
CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST		44	614
		<hr/>	<hr/>
INCREASE IN CASH IN THE PERIOD		462	1,178
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER 2018	20	1,178	-
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2019	20	1,640	1,178

South York Multi Academy Trust
ACCOUNTING POLICIES
for the year ended 31 August 2019

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 2018 to 2019 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.

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 year ended 31 August 2019

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.

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 £5,000 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
Furniture & equipment	5 years
Computer equipment	5 years

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.

South York Multi Academy Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2019

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

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 year ended 31 August 2019

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
Capital grants	-	1,233	1,233	895
Capital donations	-	91	91	-
Other donations	-	48	48	5
	-	1,372	1,372	900

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	8,706	8,706	4,593
Other DfE/ESFA grants	-	488	488	180
	-	9,194	9,194	4,773
OTHER GOVERNMENT GRANTS				
SEN from Local Authority	-	225	225	89
Other Local Authority grants	-	122	122	196
Other grants	-	-	-	2
	-	347	347	287
OTHER INCOME				
Catering income	207	-	207	66
Academy trips	-	471	471	191
Music tuition	1	-	1	2
Other income	-	11	11	-
	208	482	690	259
Total	208	10,023	10,231	5,319

3 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
Income from lettings	57	-	57	32
Other income	163	-	163	49
	220	-	220	81

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

4 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
Short term deposits	1	-	1	-
	1	-	1	-

5 EXPENDITURE

	Staff costs £'000	Non Pay Expenditure		2019 Total £'000	2018 Total £'000
		Premises £'000	Other £'000		
Academy's educational operations:					
Direct costs	7,010	327	1,032	8,369	4,341
Allocated support costs	1,284	824	687	2,795	1,247
	8,294	1,151	1,719	11,164	5,588

Net income/(expenditure) for the period includes:	2019 £'000	2018 £'000
Depreciation	327	205
Fees payable to auditor for: Audit	12	16

6 CHARITABLE ACTIVITIES

	2019 £'000	2018 £'000
Direct costs – educational operations	8,369	4,341
Support costs – educational operations	2,795	1,247
	11,164	5,588

Analysis of support costs

	Educational operations £'000	2019 Total £'000	2018 Total £'000
Staff costs	1,285	1,285	554
Premises costs	824	824	390
Governance costs	151	151	75
Other support costs	535	535	228
Total support costs	2,795	2,795	1,247

Expenditure on the Academy Trust's educational operations amounted to £11,164,000 (2018: £5,588,000) of which £179,000 (2018: £38,000) was attributable to unrestricted and £10,985,000 (2018: £5,551,000) was attributable to restricted funds.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

7 STAFF COSTS

	2019	2018
	£'000	£'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	5,990	3,137
Social security costs	550	318
Operating costs of defined benefit pension schemes	1,387	655
Apprenticeship levy	15	4
	7,942	4,114
Supply costs	353	112
	8,295	4,226

b. Staff numbers

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

	2019	2018
	No.	No.
Charitable activities		
Teachers	112	129
Administration and support	171	83
Management	6	5
	289	217

c. Higher paid staff

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

	2019	2018
	No.	No.
£60,001 - £70,000	2	1
£100,001 - £110,000	1	-

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 £439,512 (2018: £188,143).

8 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 2019 (2018: did not charge).

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

9 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) is paid as below, this amount includes the salary for acting as Headteacher of Fulford School in addition to the CEO role:

L Savage (CEO, Headteacher and Accounting Officer):
 Remuneration: £100,001 - £105,000 (2018: £60,001 - £65,000)
 Employer’s pension contributions: £15,001 - £20,000 (2018: £10,001 - £15,000)

The comparative figure is in relation to an eight month period.

During the year ended 31 August 2019, travel and subsistence expenses of £30 and £33.50 (2018: £nil) were reimbursed or paid directly to two Trustees (2018: no Trustees).

10 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. The cost for the period ending 31 August 2019 was £14,000. It is not possible to quantify the Trustees and Officers indemnity element of the overall cost of the RPA scheme.

11 TANGIBLE FIXED ASSETS

	Land and buildings £’000	Furniture and equipment £’000	Computer equipment £’000	Motor vehicles £’000	Assets under construction £’000	Total £’000
Cost						
At 1 September 2018	14,748	-	207	4	58	15,017
Transfers	58	-	-	-	(58)	-
Additions	759	21	64	-	644	1,488
Disposals	-	-	-	(4)	-	(4)
At 31 August 2019	15,565	21	271	-	644	16,501
Depreciation						
At 1 September 2018	171	-	30	4	-	205
Charged in year	271	-	56	-	-	327
Disposals	-	-	-	(4)	-	(4)
At 31 August 2019	442	-	86	-	-	528
Net book values						
At 31 August 2019	15,123	21	185	-	644	15,973
At 31 August 2018	14,577	-	177	-	58	14,812

Further details regarding assets transferred on conversion are provided at note 25.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

12 DEBTORS

	2019	2018
	£'000	£'000
Trade debtors	162	26
Other debtors	470	554
VAT recoverable	206	69
Prepayments and accrued income	70	81
	<u>908</u>	<u>730</u>

13 CREDITORS: Amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	982	308
Accruals and deferred income	91	68
	<u>1,073</u>	<u>376</u>

Deferred income

	2019	2018
	£'000	£'000
Resources deferred in the year:		
- UIFSM	40	22
Deferred income at 31 August	<u>40</u>	<u>22</u>

14 FUNDS

	Balance at		Resources	Gains,	Balance at
	31 August	Incoming	expended	losses &	31 August
	2018	resources	£'000	transfers	2019
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant (GAG)	-	8,706	(8,893)	187	-
Other DfE/ESFA grants	-	488	(488)	-	-
LEA and other grants	-	347	(347)	-	-
Other restricted	-	530	(530)	-	-
	-	10,071	(10,258)	187	-
Pension reserve	(1,197)	(112)	(400)	(1,117)	(2,826)
	<u>(1,197)</u>	<u>9,959</u>	<u>(10,658)</u>	<u>(930)</u>	<u>(2,826)</u>
Restricted fixed asset funds					
Donations	-	91	-	(8)	83
DfE/ESFA capital grants	894	1,233	(25)	-	2,102
Transferred on conversion	14,735	-	(302)	-	14,433
	<u>15,629</u>	<u>1,324</u>	<u>(327)</u>	<u>(8)</u>	<u>16,618</u>
Total restricted funds	<u>14,432</u>	<u>11,283</u>	<u>(10,985)</u>	<u>(938)</u>	<u>13,792</u>
Unrestricted funds					
General fund	715	473	(179)	(179)	830
Total unrestricted funds	<u>715</u>	<u>473</u>	<u>(179)</u>	<u>(179)</u>	<u>830</u>
Total funds	<u>15,147</u>	<u>11,756</u>	<u>(11,164)</u>	<u>(1,117)</u>	<u>14,622</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

14 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 2019.
- (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).

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

	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>

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 Total £'000	2018 Total £'000
Archbishop of York's CE Junior School	40	-
Dunnington CE Primary School	27	38
Fulford School	830	648
Wheldrake with Thorganby CE School	(33)	28
Central services	(34)	1
Total before fixed assets and pension reserve	<u>830</u>	<u>715</u>
Restricted fixed asset fund	16,618	15,629
Pension reserve	(2,826)	(1,197)
Total	<u>14,622</u>	<u>15,147</u>

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

14 FUNDS (continued)

The deficit for Wheldrake with Thorganby CE School relates to increased staffing costs in the current financial year due to an increase in the staffing requirements of the academy, and additional educational supplies required. Current budgets show recovery from this position.

The deficit on central services is due to no topslice having been in place in 2018/19. This deficit will be addressed via the 2019/20 topslice and other expected increases in central services income, such as investment income and contributions from constituent academies for central services IT provision.

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	2019 Total £'000	2018 Total £'000
Archbishop of York's CE Junior School	523	123	58	194	898	-
Dunnington CE Primary School	714	126	46	212	1,098	528
Fulford School	5,148	907	578	1,161	7,794	4,657
Wheldrake with Thorganby CE School	612	119	24	216	971	144
Central MAT	13	10	2	51	76	54
	7,010	1,285	708	1,834	10,837	5,383

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2019 Total funds £'000
Tangible fixed assets	-	-	15,973	15,973
Current assets	840	433	1,275	2,548
Current liabilities	(10)	(433)	(630)	(1,073)
Pension scheme liability	-	(2,826)	-	(2,826)
Total net assets	830	(2,826)	16,618	14,622

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2018 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

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

16	CAPITAL COMMITMENTS	2019	2018
		£'000	£'000
	Contracted for, but not provided in the financial statements	-	801
17	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019	2018
		£'000	£'000
	Net income for the reporting period	592	14,539
	Depreciation	327	205
	Capital grants from DfE and other capital income	(1,233)	(895)
	Interest receivable	(1)	-
	Donations – transfer from local authority on conversion	68	(13,827)
	Pension current service cost less contributions payable	368	130
	Pension finance cost	32	22
	Increase in debtors	(178)	(730)
	Increase in creditors	697	376
	Net cash inflow/(outflow) from Operating Activities	672	(180)
18	CASH FLOWS FROM INVESTING ACTIVITIES	2019	2018
		£'000	£'000
	Interest received	1	-
	Net cash provided by financing activities	1	-
19	CASH FLOWS FROM FINANCING ACTIVITIES	2019	2018
		£'000	£'000
	Purchase of tangible fixed assets	(1,488)	(151)
	Capital grants from DfE Group	1,233	895
	Net cash (used in)/provided by financing activities	(255)	744
20	ANALYSIS OF CASH AND CASH EQUIVALENTS	2019	2018
		£'000	£'000
	Cash in hand and at bank	1,640	1,178
		1,640	1,178

21 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.

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

22 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

23 PENSION AND SIMILAR OBLIGATIONS

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

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

There were no contributions outstanding payable to either scheme as at 31 August 2019.

Teachers' Pension Scheme

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.

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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the assumed real rate of return is 2.8% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determined an employer rate of 23.6%, which will be payable from September 2019.

The employer's pension costs paid to TPS in the period amounted to £720,000 (2018: £374,000).

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

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

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.

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 £392,000 (2018: £198,000), of which employer's contributions totalled £299,000 (2018: £151,000) and employees' contributions totalled £93,000 (2018: £47,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% and 12.5% for employees.

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

Principal actuarial assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.25%
Rate of increase for pensions in payment/inflation	2.10%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.10%	2.00%
Commutation of pensions to lump sums	75.00%	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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	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 2019 £'000	At 31 August 2018 £'000
Discount rate +0.1%	(163)	(106)
Discount rate -0.1%	167	109
Mortality assumption – 1 year increase	244	132
Mortality assumption – 1 year decrease	(241)	(133)
CPI rate +0.1%	66	65
CPI rate -0.1%	(65)	(64)

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	2,541	2,125
Government bonds	851	567
Property	334	277
Cash/liquidity	202	11
Other	461	522
Total market value of assets	4,389	3,502
Present value of scheme liabilities		
- Funded	(7,215)	(4,699)
Deficit in the scheme	(2,826)	(1,197)

The actual return on scheme assets was £243,000 (2018: 197,000).

Amounts recognised in the statement of financial activities	2019 £'000	2018 £'000
Current service cost	500	281
Past service cost	167	-
Pension finance cost	32	22
Total operating charge	699	303

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 £1,117,000 loss (2018: £608,000 gain).

Movements in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
Brought forward	4,699	3,467
Current service cost	500	281
Interest cost	142	68
Employee contributions	93	47
Actuarial gain	1,250	(457)
Benefits paid	(47)	(19)
Past service cost	167	-
Net increase in liabilities from transfers in	411	1,312
At 31 August	7,215	4,699

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

Brought forward	3,502	2,209
Interest income	110	46
Actuarial gain	133	151
Employer contributions	299	151
Employee contributions	93	47
Benefits paid	(47)	(19)
Net increase in assets from transfers in	299	917
At 31 August	4,389	3,502

South York Multi Academy Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The estimated value of employer contributions for the year ended 31 August 2020 is £309,000.

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.

24 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 the trustees have an interest.. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Trust church schools buy into an agreement with the York Diocesan Board of Education. This is entered into by each church school independently and has been reported to the DfE in line with their requirements. The current value of these services is £1,635.

25 ASSETS TRANSFERRED ON CONVERSION

Archbishop of York's CE Junior School	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000
Pension deficit	-	(112)	-	(112)
Other identifiable assets	44	-	-	44
	44	(112)	-	(68)

26 AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the period ended 31 August 2019 the Trust received £14,769 and disbursed £22,046 from the fund. An amount of £7,479 is included in accruals and deferred income relating to undistributed funds that is repayable to ESFA.