

**SYNERGY MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	Jane Gilbert Anthony Williams Martin Newman John Riddett Philip Dewin (appointed 1 September 2018)
<b>Trustee Directors</b>	Anthony Williams, Chairman Mark Farrar, Chief Executive Officer Richard Madle Deborah Boldero Tracey Hughes Peter Williams (resigned 1 September 2018) Bryan Hurst Natasha Hutcheson Graham Pickhaver Andrew Savage (appointed 1 September 2018)
<b>Company registered number</b>	08198980
<b>Company name</b>	Synergy Multi Academy Trust
<b>Principal and registered office</b>	Whitwell Road Reepham Norwich Norfolk NR10 4JT
<b>Senior management team</b>	Richard Lord, Executive Primary Head and Head of Bawdeswell Primary School Peter Collins, Business Manager (to 5 January 2018) Timothy Gibbs, Head of Reepham High School and College Helen Pegg, Head of Bawdeswell Primary School Daniel Buddle, Head of Foulsham & Corpusty Primary Schools (to 25 May18) Anthony Chapman, Head of Mattishall Primary School Catherine Ogle, Head of Reepham Primary Richard Levell, Chief Finance Officer (from 1 March 2018) Mark Farrar, Chief Executive Officer
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

**SYNERGY MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Bankers**

HSBC Bank Plc  
22 Market Place  
North Walsham  
Norfolk  
NR28 9BH

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**Solicitors**

Steeles Law Solicitors Limited  
Lawrence House  
5 St. Andrews Hill  
Norwich  
Norfolk  
NR2 1AD

**SYNERGY MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Synergy Multi Academy Trust for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates one secondary school and six primary schools serving a catchment area in north Norfolk. The academies have a combined capacity of 2,050 pupils and had a roll of 1,948 pupils in the 2018 census. One of these schools joined the Trust during the first half of the academic year.

### **Structure, Governance and Management**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following academies:

Reepham High School and College (RHSC), which converted on 1st October 2012 and created the Trust on 8 October 2013.

Reepham Primary School (RPS), which converted and joined the Trust on 1st August 2016;

Bawdeswell Primary School (BPS), which converted and joined the Trust on 1st February 2017;

Mattishall Primary School (MPS), which converted and joined the Trust on 1st April 2017;

Foulsham Primary School (FPS), which converted and joined the Trust on 1st May 2017;

Astley Primary School (APS), which converted and joined the Trust on 1st July 2017;

Corpusty Primary School (CPS) which converted and joined the Trust on 1st January 2018.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Board of Trustees. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

### **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 and Officers' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 9 Trustees.

**Policies and Procedures Adopted for the Induction and Training of Trustees and Governors**

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least eight occasions per year is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

Individual schools' Senior Leadership Teams manage their schools at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their school, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust's executive leaders have oversight of the Trust and align local SLT and LGB activity with the strategic aims of the Trust as a whole.

The Trust's CEO is the Accounting Officer.

**Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels will be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the MGB.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the MGB may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

Corpusty Primary School (in the period before it joined the Trust)  
Cawston Primary School  
Lyng Primary School  
Great Witchingham Primary School  
North Norfolk Academy Trust  
Litcham School  
Fakenham Infant and Nursery School  
Fakenham Junior School

The Trust does not have a formal sponsor.

**Employees Information**

The Trust is an equal opportunities employer. Employment applications from disabled persons are treated in the same way as applications from others in that disability information is detached from the application form and not passed to the recruiting manager. Every effort is made to accommodate employees who may become disabled during their employment.

Alongside daily communication between members of staff, each school within the Trust continues to provide information to employees about matters which may affect them through a variety of ways including; staff briefings/meetings, departmental meetings, notice boards and bulletins.

**Trade Union Facility Time**

During the year, 3 members of staff (3 full time equivalent) have been provided with time to engage in trade union activity. The percentage of time, for each of these employees, spent on facility time falls within the range of 1% to 50% with an approximate cost for the year of £1,500.

**Fundraising**

The schools within the Trust do not carry out fundraising of themselves, however the Friends of the respective schools have held small fundraising events during the year including; school fetes, quiz nights, school performances. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of a number of academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 18.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Objectives, Strategies and Activities**

During the year the Trust has worked towards these aims by:

- Helping every pupil and student to achieve to their academic potential
- Making sure that every pupil finishes school with the skills employers seek
- Making sure that every person that leaves a Trust school does so as a good citizen and kind person
- Keeping all young people safe

Our success in fulfilling our aims can be measured by:

- Our outstanding A level examination results (top 1% nationally in terms of value added)
- Above average GCSE results (P8 score of +0.1)
- High proportion of students winning places at Oxbridge and Russell Group universities
- Very low NEET rate
- High attendance rates
- Very low exclusion rates
- The trust's EYFS and phonics outcomes exceed the national figures
- Our KS2 results are improving and are now around the national averages in most categories

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Strategic Report**

**Achievements and Performance**

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their school.

Specific achievements were as follows:

- The trust has grown from a membership of one school to a membership of seven in two years. These schools have been effectively absorbed into the Synergy family.
- All schools are working very closely to improve teaching and learning and standards are rising as a result.
- 66% of all A level grades were at A\*-B, 91% were at A\*-C and 100% were at A\*-E
- 34% of all GCSE pupils achieved the English Baccalaureate standard
- The GCSE Progress 8 score was above the national average (+0.1)
- RHSC is one of two schools sponsored by the Shenzhen Education Bureau. The bureau regularly sends Chinese pupils to RHSC to attend lessons, provides a teacher of Mandarin and subsidises trips to China by our staff and pupils

**Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018 were 1,948 against a forecast of 1,940.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was 80.4% against set parameters of between 76 - 81%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Trust Board also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB.

### **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**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Trust received £370,919 relating to fixed assets, cash and pension deficit for the academies converting to the Trust, as well as £9,601,387 of GAG and other funding. A high percentage of the GAG and other funding is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £10,690,445 on expenditure and transferred £50,802 to support capital improvements on the various academy sites. The Trust brought forward from 16/17 a deficit on restricted funds including pension deficit of (£1,562,350) as well as a surplus on unrestricted funds of £434,309. The carry forward for 17/18 is a deficit on restricted funds including pension of (£1,727,182) and £497,112 of surplus on unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,138,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Reserves Policy**

The Trustee Directors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustee Directors monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £497,112. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £907,930.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,103,258. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustee Directors monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £250,000 to cover short term cash flow variances.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Investment Policy**

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trust does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**Principal Risks and Uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustee Directors at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the ESFA and there is 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;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed a peer review system to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**Plans for Future Periods**

Synergy has grown rapidly over the last two years. An all-through 4-16 school joined the trust on 1 September 2018. A large infant and a large junior school are due to join the Trust in February 2019. As a result the Trust will have well over 3,000 pupils which should give access to substantial capital funds later in the year. This is important because many of our small rural schools have highly inadequate facilities. All Trust schools are, importantly, within a 30 minute drive of Reepham. This allows teachers to easily work together, to share expertise, to visit each other's schools and improve standards as a result.

Our intention is to work with all Synergy schools to ensure that the highest quality education is provided for each pupil. It is our intention to ensure that all academies are well resourced, appropriately supported, co-operating and determined to achieve to the highest standard.

**Funds Held as Custodian Trustee on Behalf of Others**

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

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:

**Anthony Williams**  
Chair of Trustees

**SYNERGY MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Synergy 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 Synergy 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 year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Williams, Chairman	6	8
Mark Farrar, Chief Executive Officer	8	8
Richard Madle	3	8
Deborah Boldero	8	8
Tracey Hughes	6	8
Peter Williams	7	8
Bryan Hurst	5	8
Natasha Hutcheson	3	8
Graham Pickhaver	8	8
Andrew Savage	0	0

There have been no significant changes to the composition of the Board. Peter Williams resigned at the end of the year and has been replaced with Andrew Savage.

Given the age and the growth of the Trust, the main challenges have arisen as a result of clarifying and embedding process, procedure and responsibility between Trust Board and Local Governing Boards.

Informal self-evaluation reviews have effectively been conducted through the process of approving Financial Management and Governance Self-Assessments as a result of Schools joining the Trust.

As a result of conducting the self-assessments and given the growth of the Trust the Board is planning to have an external review of governance during the Spring of 2019.

No separate finance committee meetings were held during the financial year to 31 August 2018, instead more frequent full board meetings were held and finance discussions were held as part of the full board.

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

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

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

- Continued commitment to operating a central services model with the intention of rationalising services where appropriate.
- Ensuring competing quotes are obtained for significant purchases of goods or services.
- Sharing of resources across the Trust including a Headteacher leading two of the smaller primaries.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Synergy Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Full Board of Trustees 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.

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**GOVERNANCE STATEMENT (continued)**

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 J Knowlden, the Chief Financial Officer of North Norfolk Academy Trust to perform a peer review.

The reviewer'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: review of payroll transactions, purchases, income recognition and accounting processes/reconciliations.

On an annual basis, the reviewer reports to the board of trustees through the finance team on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

No material control issues were identified as part of the 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 year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Full Board of Trustees 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 5 December 2017 and signed on their behalf, by:

**Anthony Williams**  
Chair of Trustees

**Mark Farrar**  
Accounting Officer

**SYNERGY MULTI ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**Mark Farrar**  
**Accounting Officer**

Date: 5 December 2018

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the Trustees to prepare financial statements for each financial 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 have decided to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:

**Anthony Williams**  
Chair of Trustees

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SYNERGY MULTI ACADEMY TRUST**

**OPINION**

We have audited the financial statements of Synergy Multi Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SYNERGY MULTI ACADEMY TRUST**

**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SYNERGY MULTI ACADEMY TRUST**

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

This report is made solely to the Academy 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR  
13 December 2018

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SYNERGY  
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Synergy Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Synergy 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 Synergy 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 Synergy Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SYNERGY MULTI ACADEMY TRUST'S ACCOUNTING OFFICER  
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Synergy Multi Academy Trust's funding agreement with the Secretary of State for Education dated 9 June 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SYNERGY  
MULTI ACADEMY TRUST AND THE EDUCATION & 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Price Bailey LLP**

Reporting Accountant

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR

13 December 2018

**SYNERGY MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Funds transferred on conversion to academy	2,21	46,169	(75,000)	399,750	370,919	4,420,545
Other donations and capital grants	2	17,169	390,453	62,326	469,948	329,456
Charitable activities	5	169,273	8,861,267	-	9,030,540	6,955,079
Other trading activities	3	100,678	-	-	100,678	81,889
Investments	4	221	-	-	221	509
<b>TOTAL INCOME</b>		<u>333,510</u>	<u>9,176,720</u>	<u>462,076</u>	<u>9,972,306</u>	<u>11,787,478</u>
<b>EXPENDITURE ON:</b>						
Charitable activities	6	<u>251,797</u>	<u>9,881,660</u>	<u>556,988</u>	<u>10,690,445</u>	<u>7,982,702</u>
<b>TOTAL EXPENDITURE</b>	6	<u>251,797</u>	<u>9,881,660</u>	<u>556,988</u>	<u>10,690,445</u>	<u>7,982,702</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	<u>81,713</u> <u>(18,910)</u>	<u>(704,940)</u> <u>(31,892)</u>	<u>(94,912)</u> <u>50,802</u>	<u>(718,139)</u> <u>-</u>	<u>3,804,776</u> <u>-</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		<u>62,803</u>	<u>(736,832)</u>	<u>(44,110)</u>	<u>(718,139)</u>	<u>3,804,776</u>
Actuarial gains on defined benefit pension schemes	22	<u>-</u>	<u>572,000</u>	<u>-</u>	<u>572,000</u>	<u>675,000</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>62,803</u>	<u>(164,832)</u>	<u>(44,110)</u>	<u>(146,139)</u>	<u>4,479,776</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>434,309</u>	<u>(1,562,350)</u>	<u>22,717,668</u>	<u>21,589,627</u>	<u>17,109,851</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>497,112</u></u>	<u><u>(1,727,182)</u></u>	<u><u>22,673,558</u></u>	<u><u>21,443,488</u></u>	<u><u>21,589,627</u></u>

The notes on pages 23 to 49 form part of these financial statements.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08198980**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	2017 £
<b>FIXED ASSETS</b>				
Tangible assets	13		22,663,420	22,717,668
<b>CURRENT ASSETS</b>				
Debtors	14	519,303	514,914	
Cash at bank and in hand	20	1,103,258	1,326,431	
		<u>1,622,561</u>	<u>1,841,345</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(704,493)	(750,386)	
		<u>(704,493)</u>	<u>(750,386)</u>	
<b>NET CURRENT ASSETS</b>			918,068	1,090,959
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>23,581,488</u>	<u>23,808,627</u>
Defined benefit pension scheme liability	22		(2,138,000)	(2,219,000)
			<u>(2,138,000)</u>	<u>(2,219,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>21,443,488</u>	<u>21,589,627</u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	17	410,818	656,650	
Restricted fixed asset funds	17	22,673,558	22,717,668	
		<u>23,084,376</u>	<u>23,374,318</u>	
Restricted income funds excluding pension liability		23,084,376	23,374,318	
Pension reserve		(2,138,000)	(2,219,000)	
		<u>(2,138,000)</u>	<u>(2,219,000)</u>	
Total restricted income funds			20,946,376	21,155,318
Unrestricted income funds	17		497,112	434,309
			<u>497,112</u>	<u>434,309</u>
<b>TOTAL FUNDS</b>			<u>21,443,488</u>	<u>21,589,627</u>

The financial statements on pages 20 to 49 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

**Anthony Williams, Chairman**  
Chair of Trustees

The notes on pages 23 to 49 form part of these financial statements.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(228,899)	227,356
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		221	509
Purchase of tangible fixed assets		(102,990)	(55,841)
Capital grants from DfE Group		62,326	43,957
Cash received from conversion		46,169	134,226
<b>Net cash provided by investing activities</b>		<b>5,726</b>	<b>122,851</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(223,173)</b>	<b>350,207</b>
Cash and cash equivalents brought forward		1,326,431	976,224
<b>Cash and cash equivalents carried forward</b>	20	<b>1,103,258</b>	<b>1,326,431</b>

The notes on pages 23 to 49 form part of these financial statements.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted, judgments and key sources of estimation, is set out below.

**1.1 Basis of preparation of financial statements**

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

Synergy Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

Synergy Multi Academy Trust is a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. It is registered at the following address: Reepham High School, Whitwell Road, Reepham, Norwich, Norfolk, NR10 4JT

The financial statements have been prepared in pounds sterling and have been rounded to the nearest pound.

**1.2 Going concern**

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

**1.3 Fund accounting**

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

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

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

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the 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 risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**1.5 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 charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	over the life of the lease (125 years)
Long term leasehold property	-	2% straight line
Furniture and fixtures	-	20% straight line
Motor vehicles	-	25% straight line

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

**1.7 Debtors**

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

**1.8 Cash at Bank and in hand**

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

**1.9 Liabilities and provisions**

Liabilities and provisions 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 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 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.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.11 Taxation**

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

**1.12 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 incorporating Income and Expenditure Account 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.

**SYNERGY MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Redundancy payments**

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Academy Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

**1.14 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Corpusty Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

**1.15 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not use any of the allocation towards its own administration costs and so none is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

**SYNERGY MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Funds transferred on conversion to academy	46,169	(75,000)	399,750	370,919	4,420,545
Donations	-	390,453	-	390,453	285,499
Capital Grants	-	-	62,326	62,326	43,957
Other amounts on conversion	17,169	-	-	17,169	-
Subtotal	17,169	390,453	62,326	469,948	329,456
	63,338	315,453	462,076	840,867	4,750,001
Total 2017	134,226	(669,501)	5,285,276	4,750,001	

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated total funds 2017 £
Hire of Facilities	7,078	-	7,078	6,179
Other Income	93,600	-	93,600	75,710
	<u>100,678</u>	<u>-</u>	<u>100,678</u>	<u>81,889</u>
Total 2017	<u>14,996</u>	<u>66,893</u>	<u>81,889</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	221	-	221	509
Total 2017	<u>509</u>	<u>-</u>	<u>509</u>	

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**5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,160,169	8,160,169	6,154,647
Other DfE/EFSA grants	-	574,939	574,939	496,024
Start up grant	-	50,000	50,000	100,000
	-	8,785,108	8,785,108	6,750,671
<b>Other government grants</b>				
Local authority grants	-	76,159	76,159	106,674
	-	76,159	76,159	106,674
<b>Other funding from the academy trust's educational operations</b>				
Catering income	67,844	-	67,844	34,624
Music services income	35,695	-	35,695	26,323
Income from services provided	65,734	-	65,734	36,787
	169,273	-	169,273	97,734
	169,273	8,861,267	9,030,540	6,955,079
Total 2017	97,734	6,857,345	6,955,079	

The restatements in notes 3 and 5 relate to the reclassification of income between Funding for the Academy Trust's educational operations and Other trading activities. Overall this has no effect on the total income in the year ended 31 August 2017.

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	6,623,049	-	885,449	7,508,498	5,686,205
Support costs	1,398,898	398,998	1,384,051	3,181,947	2,296,497
	8,021,947	398,998	2,269,500	10,690,445	7,982,702
Total 2017	5,838,337	279,817	1,864,548	7,982,702	

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**7. CHARITABLE ACTIVITIES**

	2018	2017
	£	£
Direct costs - educational operations	7,508,498	5,686,205
Support costs - educational operations	3,181,947	2,296,497
	<u>10,690,445</u>	<u>7,982,702</u>
Total	<u>10,690,445</u>	<u>7,982,702</u>

**Analysis of support costs**

	2018	2017
	£	£
Support staff costs	1,398,898	885,034
Depreciation	556,988	498,846
Technology costs	85,039	82,632
Premises costs	398,998	279,817
Other support costs	711,234	524,629
Governance costs	30,790	25,539
	<u>3,181,947</u>	<u>2,296,497</u>
Total	<u>3,181,947</u>	<u>2,296,497</u>

**8. NET INCOME/(EXPENDITURE) INCLUDES:**

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	556,988	498,846
Auditors' remuneration - audit	16,425	12,450
Auditors' remuneration - other services	14,165	13,090
Operating lease rentals	23,674	8,673
	<u>615,252</u>	<u>632,059</u>

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**9. CENTRAL SERVICES**

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

- Human Resources
- Legal Services
- Financial Services
- Educational Support Services
- IT services

The Academy Trust charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Reepham High School and College	234,983	223,599
Reepham Primary School	38,113	39,090
Astley Primary School	37,689	6,435
Bawdeswell Primary School	21,628	12,281
Foulsham Primary School	19,726	6,686
Mattishall Primary School	38,562	16,329
Corpusty Primary School	13,957	-
	<u>404,658</u>	<u>304,420</u>
Total	<u><u>404,658</u></u>	<u><u>304,420</u></u>

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,010,821	4,432,263
Social security costs	536,879	397,213
Operating costs of defined benefit pension schemes	1,385,796	936,027
	7,933,496	5,765,503
Agency staff costs	47,866	40,296
Staff restructuring costs	40,585	32,538
	8,021,947	5,838,337

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	26,485	5,538
Severance payments	14,100	27,000
	40,585	32,538

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs is one non-statutory, non-contractual amount totalling £14,100 (2017: £27,000) paid on 19 September 2018.

**c. Staff numbers**

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

	2018 No.	As restated 2017 No.
Teachers	121	88
Administration and support	149	110
Management	8	12
	278	210

The restatement is because the comparative average employee headcount disclosure did not annualise the employee headcounts of new joiners in the 2017 period.

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**10. STAFF COSTS (continued)**

Average headcount expressed as a full time equivalent:

	2018	2017
Teachers	107	79
Administration	90	67
Management	8	8
	205	154
	205	154

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	0	1

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £549,404 (2017: £343,516).

Included in the above are employer national insurance contributions of £50,859 (2017: £31,207).

Included in the above are employer pension contributions of £64,099 (2017: £45,470).

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
Mark Farrar, Chief Executive Officer	Remuneration	50,000-55,000	95,000-100,000
	Pension contributions paid	Nil	15,000-20,000

During the year ended 31 August 2018, expenses totalling £910 (2017 - £254) were reimbursed to 2 Trustees (2017 - 1).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**13. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	24,031,202	451,641	92,239	284,026	24,859,108
Additions	-	16,347	-	86,643	102,990
Assets on conversion	380,000	-	-	19,750	399,750
At 31 August 2018	<u>24,411,202</u>	<u>467,988</u>	<u>92,239</u>	<u>390,419</u>	<u>25,361,848</u>
<b>Depreciation</b>					
At 1 September 2017	1,501,562	322,685	84,847	232,346	2,141,440
Charge for the year	438,040	50,725	2,260	65,963	556,988
At 31 August 2018	<u>1,939,602</u>	<u>373,410</u>	<u>87,107</u>	<u>298,309</u>	<u>2,698,428</u>
<b>Net book value</b>					
At 31 August 2018	<u>22,471,600</u>	<u>94,578</u>	<u>5,132</u>	<u>92,110</u>	<u>22,663,420</u>
At 31 August 2017	<u>22,529,640</u>	<u>128,956</u>	<u>7,392</u>	<u>51,680</u>	<u>22,717,668</u>

The trust's transactions relating to land and buildings in the year included:

The taking up of a long leasehold property including land, on the transfer of Local Authority land and buildings on the conversion of a new academy school who joined the trust on 1 January 2018, over a term of 125 years. The land and buildings were valued on transfer to the trust by an independent valuation. The value of the land on conversion was £25,050.

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	20,131	11,859
VAT recoverable	296,732	222,392
Other debtors	45,578	145,381
Prepayments and accrued income	156,862	135,282
	<u>519,303</u>	<u>514,914</u>

**15. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	283,981	245,983
Other taxation and social security	139,741	123,355
Other creditors	24,109	136,144
Accruals and deferred income	256,662	244,904
	<u>704,493</u>	<u>750,386</u>

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**15. CREDITORS: Amounts falling due within one year (continued)**

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	174,292	45,864
Resources deferred during the year	125,371	174,292
Amounts released from previous years	(174,292)	(45,864)
	125,371	174,292
	125,371	174,292

At the balance sheet date the academy trust was holding funds received in advance for future educational trips, universal free school meal income and year 7 catch-up grant income.

**16. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at amortised cost	1,298,465	1,554,047
	1,298,465	1,554,047
Financial liabilities measured at amortised cost	439,381	452,739
	439,381	452,739

Financial assets measured at amortised cost comprise trade debtors, bank balances and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, pension creditor and accruals.

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**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted fund	434,309	333,510	(251,797)	(18,910)	-	497,112
<b>Restricted funds</b>						
General Annual Grant (GAG)	314,901	8,160,169	(8,253,043)	(53,180)	-	168,847
Educational visits	124,070	376,614	(356,852)	21,288	-	165,120
Other DfE/ESFA grants	176,967	624,939	(735,055)	-	-	66,851
Other government grants	18,780	76,159	(94,939)	-	-	-
Other restricted	21,932	13,839	(25,771)	-	-	10,000
Pension reserve	(2,219,000)	(75,000)	(416,000)	-	572,000	(2,138,000)
	<u>(1,562,350)</u>	<u>9,176,720</u>	<u>(9,881,660)</u>	<u>(31,892)</u>	<u>572,000</u>	<u>(1,727,182)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	22,651,678	399,750	(556,988)	52,188	-	22,546,628
Devolved Formula Capital (DFC)	-	62,326	-	(52,188)	-	10,138
Capital expenditure from GAG	65,990	-	-	50,802	-	116,792
	<u>22,717,668</u>	<u>462,076</u>	<u>(556,988)</u>	<u>50,802</u>	<u>-</u>	<u>22,673,558</u>
Total restricted funds	<u>21,155,318</u>	<u>9,638,796</u>	<u>(10,438,648)</u>	<u>18,910</u>	<u>572,000</u>	<u>20,946,376</u>
Total of funds	<u><u>21,589,627</u></u>	<u><u>9,972,306</u></u>	<u><u>(10,690,445)</u></u>	<u><u>-</u></u>	<u><u>572,000</u></u>	<u><u>21,443,488</u></u>

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards capital assets during the year.

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**17. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Other DfE/ESFA grants**

This funding includes amounts to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

This funding also includes PE & Sports Grants and Start-up Grants received from the DfE.

**Other government grants**

This represents other funding from the government towards the provision of education.

**Educational Visits**

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

**Other Restricted**

This represents funding received in the form of donations for a specific purpose.

**Pension reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 20 based on the period end valuation.

**Unrestricted funds**

This represents income in the period over which there are no spending restrictions.

**Restricted fixed asset fund**

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

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**17. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Synergy Multi Academy Trust	31,444	73,259
Astley Primary School	(30,992)	66,901
Bawdeswell Primary School	(52,988)	(5,538)
Corpusty Primary School	103,686	-
Foulsham Primary School	125,903	85,938
Mattishall Primary School	36,959	64,769
Reepham High School and College	606,554	673,731
Reepham Primary School	87,364	131,899
	<u>907,930</u>	<u>1,090,959</u>
Total before fixed asset fund and pension reserve		
Restricted fixed asset fund	22,673,558	22,717,668
Pension reserve	(2,138,000)	(2,219,000)
	<u>21,443,488</u>	<u>21,589,627</u>
Total		

The following academies are carrying net deficits on their portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £</b>
Astley Primary School	(30,992)
Bawdeswell Primary School	(52,988)

The Astley Primary School deficit has largely arisen from a significant amount of anticipated growth development income failing to materialise.

The Bawdeswell Primary School deficit is largely a result of the school having pupils with significant needs, coupled a number of changes of Head over recent years, causing instability, and a declining pupil roll. The 2017-18 deficit also includes the cost of redundancy.

The Academy Trust is taking the following action to return the academies to surplus:

Whilst some staffing decisions have been made and implemented, there is going to be a need to continue to review and factor in some recently announced senior staff changes.

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**17. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Synergy Multi Academy Trust	185,071	180,292	584	101,795	467,742	331,673
Astley Primary School	678,444	85,876	53,788	153,253	971,361	163,042
Bawdeswell Primary School	372,111	53,217	40,037	78,449	543,814	359,260
Corpusty Primary School	187,127	27,928	14,331	58,398	287,784	-
Foulsham Primary School	279,826	41,208	26,421	67,959	415,414	157,888
Mattishall Primary School	613,010	74,969	75,696	144,812	908,487	396,092
Reepham High School and College	3,683,878	507,934	578,210	430,491	5,200,513	4,950,453
Reepham Primary School	623,582	72,474	96,382	129,904	922,342	886,448
	<u>6,623,049</u>	<u>1,043,898</u>	<u>885,449</u>	<u>1,165,061</u>	<u>9,717,457</u>	<u>7,244,856</u>

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**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted fund	299,574	184,355	(49,620)	-	-	434,309
<b>Restricted funds</b>						
General Annual Grant (GAG)	390,620	6,154,647	(6,218,482)	(11,884)	-	314,901
Educational visits	105,638	265,398	(246,966)	-	-	124,070
Other DfE/ESFA grants	76,637	483,609	(383,279)	-	-	176,967
Other government grants	8,028	219,089	(208,337)	-	-	18,780
Other restricted	10,000	150,104	(138,172)	-	-	21,932
Pension reserve	(1,700,000)	(955,000)	(239,000)	-	675,000	(2,219,000)
	<u>(1,109,077)</u>	<u>6,317,847</u>	<u>(7,434,236)</u>	<u>(11,884)</u>	<u>675,000</u>	<u>(1,562,350)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	17,853,364	5,241,319	(498,846)	55,841	-	22,651,678
Devolved Formula Capital (DFC)	-	43,957	-	(43,957)	-	-
Capital expenditure from GAG	65,990	-	-	-	-	65,990
	<u>17,919,354</u>	<u>5,285,276</u>	<u>(498,846)</u>	<u>11,884</u>	<u>-</u>	<u>22,717,668</u>
Total restricted funds	<u>16,810,277</u>	<u>11,603,123</u>	<u>(7,933,082)</u>	<u>-</u>	<u>675,000</u>	<u>21,155,318</u>
Total of funds	<u><u>17,109,851</u></u>	<u><u>11,787,478</u></u>	<u><u>(7,982,702)</u></u>	<u><u>-</u></u>	<u><u>675,000</u></u>	<u><u>21,589,627</u></u>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,663,420	22,663,420
Current assets	624,692	987,731	10,138	1,622,561
Creditors due within one year	(127,580)	(576,913)	-	(704,493)
Provisions for liabilities and charges	-	(2,138,000)	-	(2,138,000)
	<u>497,112</u>	<u>(1,727,182)</u>	<u>22,673,558</u>	<u>21,443,488</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	22,717,668	22,717,668
Current assets	434,309	1,407,036	-	1,841,345
Creditors due within one year	-	(750,386)	-	(750,386)
Provisions for liabilities and charges	-	(2,219,000)	-	(2,219,000)
	<u>434,309</u>	<u>(1,562,350)</u>	<u>22,717,668</u>	<u>21,589,627</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(718,139)	3,804,776
<b>Adjustment for:</b>		
Depreciation charges	556,988	498,846
Dividends, interest and rents from investments	(221)	(509)
Donated assets	(445,919)	(5,375,545)
Increase in debtors	(4,389)	(187,188)
(Decrease)/increase in creditors	(45,893)	336,933
Capital grants from DfE and other capital income	(62,326)	(43,957)
Defined benefit pension scheme obligation taken on conversion	75,000	955,000
Pension adjustments	416,000	239,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(228,899)</u>	<u>227,356</u>

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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	1,103,258	1,326,431
Total	1,103,258	1,326,431

**21. CONVERSION TO AN ACADEMY TRUST**

**Corpusty Primary School**

On 1 January 2018 Corpusty Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Synergy Multi Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	380,000	380,000
- Other tangible fixed assets	-	-	19,750	19,750
Budget surplus/(deficit) on LA funds	46,169	-	-	46,169
Budget surplus/(deficit) on other school funds	1,550	-	-	1,550
LGPS pension surplus/(deficit)	-	(75,000)	-	(75,000)
Net assets/(liabilities)	47,719	(75,000)	399,750	372,469

The above net assets include £47,719 that was transferred as cash.

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**22. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £90,837) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £676,315 (2017 - £481,770).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**22. PENSION COMMITMENTS (continued)**

Under the definitions set out in FRS 102, the TPS is an unfunded 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £446,000 (2017 - £291,000), of which employer's contributions totalled £350,000 (2017 - £226,000) and employees' contributions totalled £96,000 (2017 - £65,000). The agreed contribution rates for future years for employers are specific to each individual academy within the Trust and range between 19.8% and 21.8% plus an additional deficit contribution in aggregate of £4,500 to 31 March 2019 and £11,000 to 31 March 2020. The agreed future contribution rate for employees is tiered based on salary levels between the following rates, 5.5% and 12.5%.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

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**22. PENSION COMMITMENTS (continued)**

As at the 31 August 2018 the Trust had a pension liability of £2,138,000 (2017 - £2,219,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

<b>Sensitivity Movement</b>	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(150,228)	(134,628)
Discount rate -0.1%	150,228	134,628
Mortality assumption - 1 year increase	46,224	41,424
Mortality assumption - 1 year decrease	(46,224)	(41,424)
CPI rate +0.1%	127,116	113,916
CPI rate -0.1%	(127,116)	(113,916)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,856,400	1,834,580
Bonds	1,237,600	739,750
Property	436,800	325,490
Cash	109,200	59,180
<b>Total market value of assets</b>	<b>3,640,000</b>	<b>2,959,000</b>

The actual return on scheme assets was £198,000 (2017 - £281,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(705,000)	(425,000)
Interest income	80,000	43,000
Interest cost	(141,000)	(86,000)
<b>Total</b>	<b>(766,000)</b>	<b>(468,000)</b>

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**22. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	5,178,000	3,537,000
Upon conversion	142,000	1,525,000
Current service cost	705,000	425,000
Interest cost	141,000	86,000
Employee contributions	96,000	65,000
Actuarial gains	(454,000)	(437,000)
Benefits paid	(30,000)	(23,000)
	<u>5,778,000</u>	<u>5,178,000</u>
Closing defined benefit obligation	<u>5,778,000</u>	<u>5,178,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,959,000	1,837,000
Upon conversion	67,000	570,000
Interest income	80,000	43,000
Actuarial losses	118,000	238,000
Employer contributions	350,000	229,000
Employee contributions	96,000	65,000
Benefits paid	(30,000)	(23,000)
	<u>3,640,000</u>	<u>2,959,000</u>
Closing fair value of scheme assets	<u>3,640,000</u>	<u>2,959,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	22,386	13,377
Between 1 and 5 years	39,810	27,903
After more than 5 years	37,333	-
	<u>99,529</u>	<u>41,280</u>
Total	<u>99,529</u>	<u>41,280</u>

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**24. 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 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 cease to be a member.

**25. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**26. POST BALANCE SHEET EVENTS**

On 1 September 2018, Litcham School converted to Academy status from a local authority maintained school to Synergy Multi Academy Trust. The financial effect on Synergy Multi Academy Trust of this acquisition has yet to be estimated.

**27. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £17,155 and disbursed £9,868 from the fund. An amount of £24,109 (2017: £21,556) is included in other creditors relating to undistributed funds.