



Symphony Learning
TRUST

Accounting Policy 2016-2019

Interim review October 2018

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| Adopted by Symphony Learning Trust on | Autumn 2016 |
| Next Review Due – 3 yearly | Autumn 2019 |

Basis of Preparation

The financial statements will be prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards and the Academies Accounts.

Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting procedures, which have been applied consistently, is set out below.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from 1 September to 31 August of each year.

Top Slicing

In the first year (following the formation of the Trust) all costs will be paid by the Primary Chain Grant and thereafter all centralised costs will be paid by the top slice. This percentage is to be agreed annually by the Trustees at the autumn Trustees meeting.

Incoming Resources

All incoming resources are recognised when the Multi Academy Trust has the entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

Donations

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

Other income

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

Resources Expended

All expenditure will be recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Multi Academy Trust's educational operations.

Governance Costs

These include the costs attributable to the Multi Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful lives, as follows:

- Freehold buildings x 2% (50 years)
- Fixtures, fittings and equipment x 20% (5 years)
- ICT equipment x 33⅓% (3 years)

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

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

Leased Assets

Rentals under operating leases are charged on monthly basis over the lease term.

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

Review

The Accounting Policy should be reviewed annually and ratified at the Autumn Trustees meeting and/or if a change occurs during the academic year.