

Hull Collaborative Academy Trust

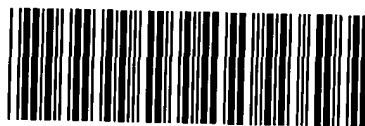
(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

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Hull Collaborative Academy Trust

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Hull Collaborative Academy Trust

Reference and Administrative Details

Members

Mr G D Wilson
Mrs L Keating
Mr N Richardson
Mr J Simpson (resigned 26 February 2019)
Mr A Storr
Mr D Hall

Trustees (Directors)

Mr G D Wilson, (*) (#) (Chair) (National Leader of Governance)
Mrs E M Macdonald OBE, (*)
Mr A S Kingston (resigned 25 September 2018)
Mrs E A Wilson, (*) (#) (National Leader of Governance)
Mrs C Yates, (*)
Mr M Mathias, (*) (#)
Mr M Whitaker, (*) (#) (resigned 11 September 2019)
Mrs C Hindson, (*) (resigned 21 November 2018)
Mr C J Huscroft
Ms G Simpson, (*) (resigned 13 December 2018)
Mr A S Barber, (*)
Mrs P Winn, (#) (appointed 28 November 2018)
Mr C Ryan (appointed 29 July 2019)
Ms N Tomlinson (appointed 2 October 2019)

(*) members of the finance and general purposes committee

(#) members of the audit committee

Hull Collaborative Academy Trust

Reference and Administrative Details (continued)

Company Secretary	Mr T Horne
Senior Management Team	Mrs E Macdonald, Chief Executive Officer/Founding Headteacher Mrs K Beal, Deputy Chief Executive Officer/Founding Headteacher Mrs C Mudd, Founding Headteacher Mrs M Milner, Founding Headteacher Mr D Marks, Head of School Improvement Mrs V Nolan, Chief Financial Officer
Principal and Registered Office	The Marvell College Barham Road Hull HU9 4EE
Company Registration Number	08542806
Auditors	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley HU17 0RT
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08542806.

The governors act as the Trustees for the charitable activities of Hull Collaborative Academy Trust and are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees. The insurance is unlimited.

Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles of Association are the primary governing documents of the Academy. The number of members shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 18 Trustees.

The members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Trustees.

The CEO has chosen to resign as a Trustee from 14 December 2017, however shall be treated for all purposes as being an ex officio Trustee.

The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Trustees.

The Trustees appointed have been carefully selected to establish a broad, diverse and effective skill set with a particular focus on leadership and strategic business development. All Trustees are members of the board with some who are also members of local governing bodies within our academies. New Trustees are identified after a skills audit of existing Trustees is conducted to identify areas of weakness. All prospective Trustees go through a rigorous and robust selection process to ensure that the board is constantly self-improving and effective challenge takes place.

The Trust has adopted a new governance structure and Articles of Association (June 2018) on the recommendation of guidance from the Regional Schools Commissioner and in line with the latest Academies Financial Handbook.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

New Trustees are provided with bespoke induction, based on their experience. In addition, they are encouraged, where appropriate, to attend training sessions run by IPC Services (who provide clerking services to the board and its local governing bodies), including "Introduction to Governance" and "Effective Governance" sessions.

New Trustees are provided with the Articles of Association and Governance Handbook; they are also required to sign the NGA (National Governors Association) Code of Conduct. Their attention is also drawn to the Nolan Principles and the standards required in public life.

Collective and individual training needs are regularly reviewed. There is a designated lead to coordinate training for Trustees.

Organisational structure

There are three layers of governance: -

- Members (who control the strategic direction of the Trust and appoint Trustees)
- Trustees (who are responsible for overseeing the day-to-day management and operation of the Trust)
- Local Governing Bodies (who guide, support and monitor the work of the academies in school improvement and education)
- The day to day management of the Trust is the responsibility of the CEO and Founding Heads as well as the School Improvement Team, Strategic Business Manager and Chief Financial Officer.
- Central services are provided by HR, Payroll, the Safeguarding Lead, the Emotional Wellbeing Lead and the Health and Safety Lead.

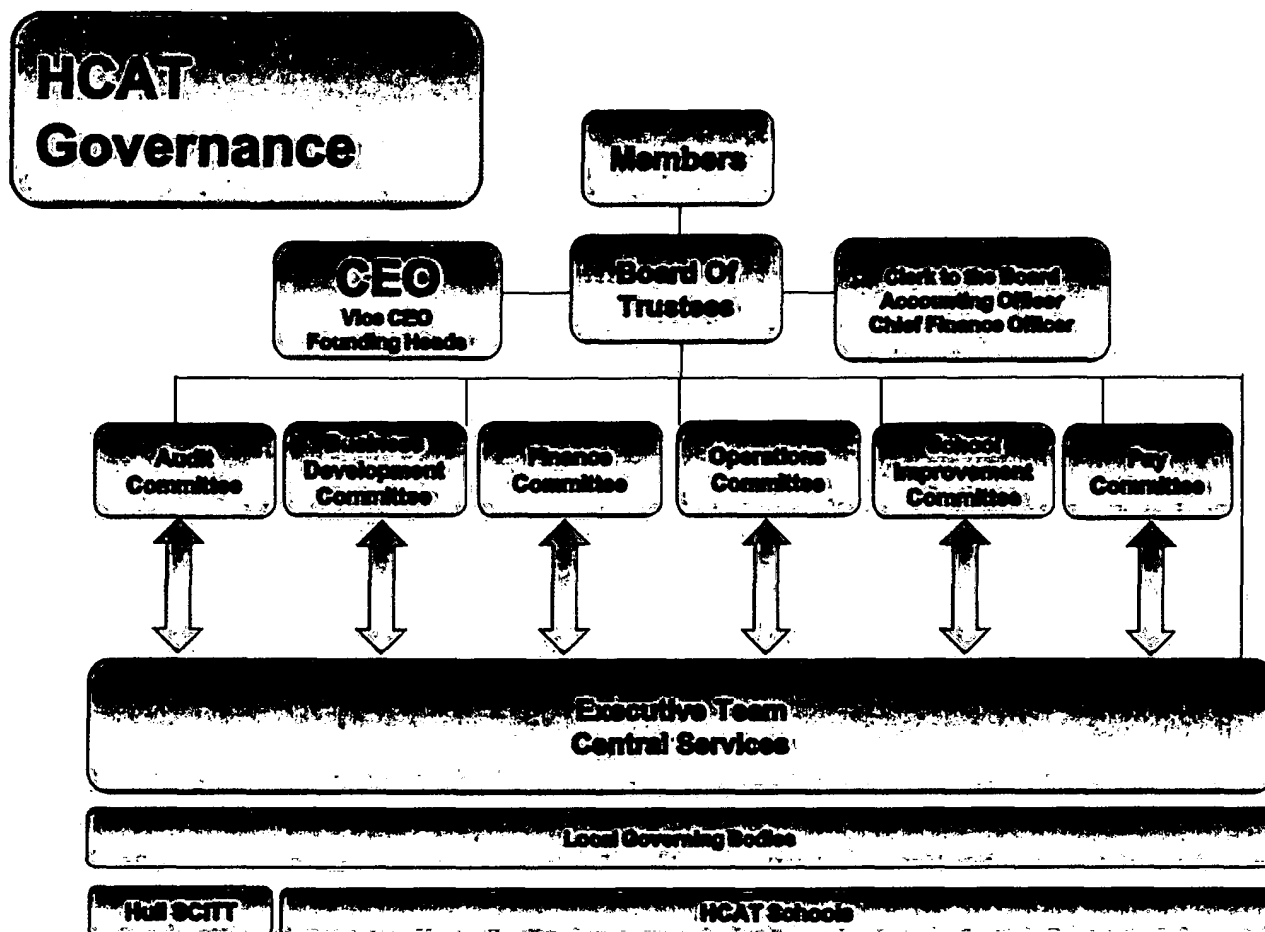
As the Trust continues to evolve and to ensure that the committees are fit for purpose the Trustees have operated six committees for 2018/19. These committees have Trustees and representatives of local governing bodies (with appropriate skills) as voting members.

- Business Development
- Finance
- Audit
- Operations
- Pay
- School Improvement

The Trust Governance structure is per the chart below:

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)



Arrangements for setting pay and remuneration of key management personnel

The Trust has established a pay committee comprising of Trustees who are not employees of the Trust:

- To make decisions in relation to centrally employed staff pay, in accordance with the agreed Pay Policy.
- To make decisions in relation to Headteachers' pay.
- Benchmarking against local Trusts and against similar sized Trusts is undertaken annually.
- Objectives as part of performance management are set annually and reviewed by an independent moderator who provide recommendations for the pay committee. Independent moderation of the above is made by the CEO of the South Pennines Academies Trust.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

0

51%-99%

100%

2

Percentage of pay bill spent on facility time

2019

Provide the total cost of facility time

73,066

Provide the total pay bill

25,901,303

Paid trade union activities

2019

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

100

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Connected organisations, including related party relationships

Hull Collaborative Academy Trust works in partnership with a range of organisations to benefit and enhance the provision and support offered to schools within its Trust. These partnerships include;

Hull SCITT (School Centred Initial Teacher Training)

Hull SCITT is part of Hull Collaborative Academy Trust and operates as a school with delegated responsibility to the SCITT Director. Hull SCITT also works in partnership with St Cuthbert's Roman Catholic Academy Trust to train and accredit their primary and secondary teachers.

Hull Centre for Restorative Practice

Offering bespoke training in Restorative Practice and family group conferencing to all academies within the Trust. This is at cost to the Trust.

Hull Local and East Riding Authority

The organisation works in partnership to offer school to school support outside of the Academy Trust. The Trust has selected representatives on a variety of committees and boards across the authority. HCAT also purchases certain services from the local authorities for example catering which exceed £1million.

North Carr Collaborative Academy Trust (NCCAT)

The Trust works closely with NCCAT as a partner in HCTS (Hull Collaborative Teaching School) developing bespoke high quality Continuing Professional Development to school leaders and supporting a range of schools both within and external to the Academy Trust through NLE (National Leader in Education), LLE (Local Leader in Education, SLE (Specialist Leader of Education) and NLG (National Leader of Governance) deployment.

Hull Collaborative Teaching School (HCTS)

The Trust is in partnership with NCCAT to provide this local training and works with over 60 schools to provide high quality training and support for their needs. HCTS provides NQT and RQT training for the Trust and other schools in the area.

Hull University

The Trust works with Hull University to provide the Post Graduate Certificate in Education (PGCE) element of the SCITT Training programme.

St Cuthbert's Roman Catholic Academy Trust

The partnership with St Mary's College has impacted on a range of schools and academies through joint school to school support and SLE development. St Mary's is the Key partner in Hull Collaborative Academy Trust's sponsorship of The Marvell College. The Trust works with St Cuthbert's to share costs on certain support services.

Carlisle Education

The Trust works with Carlisle Education who provide mentoring and support for those in leadership in the organisation in schools and in the central team.

ASDAN

An educational Charity and awarding organisation used by The Marvell College.

Swanland Education Trust

A local Multi Academy Trust which has provided courses for Hull Collaborative Academy Trust during 2018/19. The CEO is also a Trustee.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives and activities

Objectives and aims

The principal activity of Hull Collaborative Academy Trust is to provide the highest quality education for all children within our schools, our ethos is 'Children First'. The Trust strives to ensure that every child within the Trust receives high quality teaching and learning opportunities. Our schools also lay the foundations of character building to prepare children for life and encourage social mobility. In addition, the Trust strives to offer wide reaching support to other schools through sponsorship and school to school support.

The Trust has a strong moral purpose, its values are based on Restorative Practice which builds community with our staff, children and families. Staff and schools are given high challenge and high support to provide the best environment for education and wellbeing for the whole community, as well as developing leadership and teamwork for themselves. The Trust believes that it is important to ensure the families of children should be part of this community and a dedicated family support team is available to provide outreach to families, to engage them in supporting the best outcomes for their children.

Members of the Executive team meet fortnightly to review the progress of each school in the Trust. Schools share their self evaluation, performance data, school improvement and staff development activities and arrange and facilitate dissemination of good practice across the Trust. Any issues arising are risk assessed by the group and an agreed way forward is devised and implemented.

Staff have developed the HCAT Signature with five key pillars that define the Trust and the values that underpin our Trust community and the education we offer to our children

- Restorative Behaviours
- Academic Readiness
- Character Building
- Socially and Emotionally secure
- Wide Experiences

Objectives, strategies and activities

Hull Collaborative Academy Trust was formed to provide the best possible education for Children in Hull and the East Riding of Yorkshire. It also intends to provide a local solution to sponsorship so schools in difficulty can access a local sponsor. The Academy Trust in partnership with the teaching school (HCTS) also offers school to school support and high quality CPD (Continuing Professional Development) for local schools, NQT (Newly Qualified Teachers), RQT (Recently Qualified Teachers) and leadership programmes. There is a high focus on developing quality teachers for the city and developing staff and leaders through the Trusts HULL SCITT with over 30 teachers being trained per year.

As an approved sponsor of schools the Trust looks to support and improve schools as part of the Trust. The Trust seeks to collaborate with more schools to the benefit of the strength of the Trust and for the children who we educate. The Trust is open to approaches from other schools to join the Trust and is in the process of collaborating with further schools in Hull and the East Riding of Yorkshire.

The Trust facilitates joint CPD in the form of conferences, training sessions and network groups allowing all schools in the Trust to access the best training. The numbers of participants allows us to engage world class speakers and trainers that individually we would be unable to finance. It also allows us to offer other schools in the area high quality learning opportunities for their staff.

Shared resources across the Trust in terms of staffing and contracts also benefit all schools. The School Improvement team have been instrumental in the Trusts recent successful Ofsted judgements and the top ten placement of the Trust in the DFE KS2 performance tables for all Multi-Academy Trusts for reading, writing and maths. Indeed if HCAT is judged against Trusts with six or more schools it is the best performing Trust in England for Reading, Writing and Maths. (Source DFE Performance data KS2 2018).

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The Strategic Business Manager and CFO support the Trust and schools as ongoing, sustainable, businesses. In addition, central staff such as the Trust Emotional Wellbeing Lead, Safeguarding Lead, Human Resources, Payroll, Health & Safety and Estates Team ensures all schools have access to expertise that normally would be beyond the reach of an individual school.

The Trust continues to search for best value for its procurement and services.

The Trust has operated a shared service model with Shared Staff including St Cuthbert's Estates team and Safeguarding. The safeguarding lead also offers her high quality service to other local schools as an SLA ensuring a high proportion of children in Hull benefit from her expertise.

Public benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

As an all inclusive Academy promoting educational activities and community use of its facilities the Trustees believe this meets the Public Benefit test as required under Charity Law. The main public benefit delivered by the Trust is the maintenance and development of a high quality education to all pupils in its care. It is the Trustees aim to provide outstanding teaching and learning opportunities in all schools within the Trust.

The Trust continues to perform Nationally to a high standard. It is in the top ten of MAT's for Reading, Writing and Maths progress in the DFE Official Statistics: Multi Academy Trust performance measures.

In 2018/19 the Trust was also the number one Primary Trust with 6 or more schools for Reading Writing and Math Progress for both all Pupils and disadvantaged children.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

Ofsted's this year:

	Date	Judgement
Bellfield	December 2018	Good
Pearson	December 2018	Good
Sutton Park	January 2019	Good
Wansbeck	June 2019	Good
The Marvell College	July 2019	Good
Westcott	July 2019	Good

Schools who have joined:

Withernsea Primary School - September 2018

Pupils numbers

Continue to grow across the Trust with The Marvell College continuing to maximise its intake.

Pupil Numbers	Census 1st Jan 2018	Census 1st Jan 2019
Thoresby	533	540
Dorchester	345	339
Bellfield	250	253
Collingwood	306	329
Wansbeck	247	252
Westcott	204	280
Sutton Park	398	393
Pearson	226	225
Wheeler	447	438
Gilberdyke	261	254
Longhill	404	402
The Marvell College	956	1,020
Eastfield	627	628
Stockwell	367	372
Withernsea	579	561

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Key financial performance indicators

	The Marvell College			Local Authority Average	National State Funded
	16/17	17/18	18/19	18/19	17/18
Progress 8	0.17	-0.15	-0.22	-0.13	
Progress Banding	Average	Average	Average	Average	N/A
Attainment 8	43.7%	42.1%	40.7%	43.3%	46.6%
Grade 5 or above GCSE in English and Maths	33%	34%	25.4%	32.2%	43%
EBACC Average Point Score	N/A	3.71	3.55	3.71	4.06
Entering EBACC	63%	95%	73.1%	39.2%	40%

EYFS Outcomes - % Achieving a good level of development

Academy	2016/17	2017/18	2018/19
Bellfield	70%	73%	77%
Collingwood	55%	55%	62%
Thoresby	62%	65%	61%
Eastfield	70%	71%	74%
Wansbeck**	62%	67%	64%
Dorchester	60%	59%	61%
Westcott **	67%	71%	59%
Sutton Park	70%	65%	74%
Wheeler**	51%	52%	56%
Pearson	63%	67%	67%
Gilberdyke**	70%	76%	69%
Longhill	69%	54%	62%
Stockwell	57%	63%	60%
Withernsea	N/A	66%	54%
National		72%	72%

**Sponsored school

All academies within the Trust evidence that the majority and in some cases the vast majority of pupils enter EYFS below or well below their age related expectation.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Year 1 Phonics Screening

Year 1 Phonics pass

Academy	2016/17	2017/18
Bellfield	72	90
Collingwood	78	76
Dorchester	69	75
Eastfield	84	88
Pearson	80	84
Sutton Park	81	83
Thoresby	76	80
Wansbeck**	76	70
Wheeler**	84	87
Westcott**	86	81
Gilberdyke**	88	87
Longhill	71	81
Stockwell	54	65
National	81	81

** Sponsored school

Key Stage 1 Attainment

Academy	% Achieving Expected Standard					
	Writing		Reading		Maths	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Bellfield	71/74	78	71/74	84	71	81
Collingwood	61	67	66	67	68	77
Dorchester	59	65	63	70	69	74
Eastfield	76	71	77	76	79	76
Pearson	69	72	76	79	72	69
Sutton Park	65	68	67	75	69	76
Thoresby	72	70	74	76	78	74
Wansbeck**	67	67	74	73	74	70
Wheeler**	54	58	61	67	63	69
Westcott**	61	73	61	77	61	81
Gilberdyke**	68	68	84	74	84	81
Longhill	69	63	66	66	66	68
Stockwell	55	50	57	58	60	63
Withernsea	48	56	68	59	64	66

** Sponsored school

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Key Stage 2 SATs

Academy	Reading ARE %	Reading Progress	Writing ARE %	Writing Progress	Maths ARE %	Maths Progress
Bellfield	82	+1.1	89	+2.8	86	+0.5
Collingwood	90	+3.8	86	+3.8	89	+4.4
Dorchester	60	-1.5	76	-0.1	78	-1.5
Eastfield	90	+3.7	92	+3.7	94	+4.6
Pearson	69	+2.0	87	+5.6	97	+7.6
Sutton Park	91	+2.0	87	+2.9	87	+2.1
Thoresby	84	+1.24	79	+1.5	89	+1.4
Wansbeck**	77	+1.27	80	+1.0	77	+1.4
Wheeler**	81	+0.8	81	+1.9	86	+2.6
Westcott**	79	-1.8	86	+1.7	93	+2.4
Gilberdyke**	69	+0.4	81	+3.24	77	+2.7
Longhill	66	+1.6	80	+5.0	82	+6.0
Stockwell	71	-1.7	62	-2.6	58	-0.9
Withernsea	56	-0.8	59	-1.3	55	-1.15
National	73	-	78	-	76	-

** Sponsored school

ARE% = Age Related Expectations %

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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.

Fundraising

The Trust undertakes limited fundraising activities throughout the school year. An annual ball strives to raise the money for a Trust Minibus. Schools undertake traditional fundraising such as school fairs and summer fairs. Schools also raise money for other charities throughout the year which helps our children appreciate that others need help as well. We have a Trustee who is a professional fundraiser and we hope that will ensure good governance but also advice on how the Trust can raise income in the future. There have been no complaints about fundraising activity this year.

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2019 total expenditure of £36,519,576 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £33,286,019 (excluding capital grants and transfers of existing academies into the Trust). The excess of expenditure over income for the period was £3,233,557. If depreciation, amortisation and FRS 102 pension adjustments were excluded the deficit would be £433,684.

At 31 August 2019 the net book value of fixed assets was £59,528,178 and movements in tangible and intangible fixed assets are shown in notes 12 and 13 within the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £15,635,000.

During 2018/19 the Trustees have adopted a new policy for those employees who have reached their lifetime allowance. In keeping with other private and public sector bodies, staff can opt out of the appropriate pension scheme and at no additional cost to the Trust, they are paid this as an additional allowance, this is reported as part of their total emoluments.

Investment policy

The Trust currently invests its 'surplus' cash in treasury deposits for a maximum of 92 days.

Reserves policy

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

A breakdown of the funds at 31 August 2019 is as follows:

	£
Unrestricted general fund	1,766,504
Restricted general fund	(104,175)
Restricted fixed asset fund	60,385,852
Restricted pension fund	(15,635,000)
Total funds	<u>46,413,181</u>

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Principal risks and uncertainties

The principal risk and uncertainties are centred around changes in the level of funding from the DfE/ESFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year. The recent Triennial valuation for the LGPS has enabled an Academy rate across all schools to share the risk and has resulted in a downward rate of contribution for all schools over the next three years. The principal risk and uncertainties are centred around changes in the level of funding from the DfE / ESFA specifically as the move to the National Funding Formula with local formulas continue. Other significant areas include the risk of unfunded pay increases across the teaching profession and any further increases in the Teachers' pension rates in future years.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed the Trust Risk Matrix is reviewed by the Audit Committee and key strategic risks are reviewed and actions to mitigate each risk are identified and reasonable assurance is discussed. Schools have also undertaken a risk assessment process with any key risks being escalated to the board.

The Trust also continues to review its financial procedures to ensure appropriate controls are in place to provide reasonable assurance against fraud and error with the PS Financials package helping to achieve this. The Trust has also initiated budgeting software (HCSS) to develop longer term planning and forecast of financial risk. The Trust continues to used and develop We Are Every which is a risk and compliance management system.

The Trustees believe that the principal risks and uncertainties in connection with providing the educational services the Academy is able to offer are:

- maintaining the level of pupil numbers which in turn provides the educational funding required in order to achieve its objectives whilst managing its cost base.
- maintaining the quality of the education provided and continuous improvement of its schools in order to advance the level of achievement within its catchment area.

The policies of the Academy are structured with the following objectives in mind;

- to enable the Academy to continue as a going concern to achieve the aims and objectives set out in its governing document.
- to promote the Academy's work as an educational establishment within the community it serves and to continue to improve the services it offers.

Further risks are contained within the Trust Risk register and are reviewed at each relevant committee meeting.

Plans for future periods

Hull Collaborative Academy Trust are looking to expand over the coming financial year from its current position of 14 Primaries and 1 Secondary. Withernsea Primary School, joined on 1 September 2018 and the Trust has expressed a strong interest in a number of schools that have required sponsorship in Hull and East Riding, but has been unsuccessful in its endeavours. A number of schools have expressed an interest in joining the Trust and these would be a mix of sponsored and converter academies to ensure the Trust is sustainable. The Trust has a robust due diligence procedure in place to ensure that any academies joining the Trust will have a positive impact on the Trust, and the outcomes for pupils within it.

The expectation is that Hull Collaborative Academy Trust will continue to grow in school numbers during 2019/20 and beyond, as the Governments academisation programme continues, this growth will be managed and sustainable and take into account the school improvement capacity of the Trust. It is expected that a balanced mix of existing and new academies, (sponsored and non-sponsored) will look for a Local Multi Academy Trust to join and Hull Collaborative Academy Trust has positioned itself to provide an experienced and excellent choice for schools to join.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Employment of disabled persons

Hull Collaborative Academy Trust is committed to the equality of opportunity for all employees (including those with a disability) from recruitment, our application forms highlight the Two Ticks positive. This continues through to training opportunities and in their further career development. The Trust adopted the Local Authorities model policy on conversion and this has been supplemented by individual school level policies.

Description of employee consultation


As a Restorative organisation Hull Collaborative Academy Trust follows the principle that all changes affecting staff, children and family involves due process and for staff to feel part of a community that does things with, rather than to people. Schools conduct daily circle check ins to allow for open discussion of school and Trust matters. Hull Collaborative Academy Trust is constantly looking at ways to improve communication and has rolled out a Trustwide 365 cloud to allow all schools to collaborate and share.

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by:



Mr G D Wilson
Trustee

Hull Collaborative Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hull Collaborative 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 Mrs E M Macdonald OBE, as Accounting Officer and CEO, 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 Hull Collaborative 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 3 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
Mr M Mathias	3	3
Mr M Whitaker	3	3
Mrs E A Wilson	1	3
Mrs C Yates	2	3
Mr A S Barber	0	3
Ms G Simpson	0	1
Mr C J Huscroft	2	3
Mr G D Wilson	2	3
Mrs P Winn	3	3
Mr C Ryan	1	1
Mrs E M Macdonald OBE	2	3
Mrs C Hindson	0	0
Mr A S Kingston	0	0

Hull Collaborative Academy Trust

Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor closely the financial performance of the Academy Trust and to review all policies and practices relating to these areas.

The committee also assesses internal review and external audit reports and reports to the Board of Trustees. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E M Macdonald OBE	4	6
Mrs E A Wilson	6	6
Mr G D Wilson	5	6
Mrs C Yates	1	6
Mr A S Barber	0	6
Mr M Mathias	3	3
Mr M Whitaker	3	3
Ms G Simpson	1	2
Mrs C Hindson	0	1

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assess internal review and external audit reports and reports to the Board of Trustees. Its remit covers Health and Safety, Safeguarding and Risk Management, including financial risk where applicable. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Mathias	3	3
Mr M Whitaker	3	3
Mrs E A Wilson	1	1
Mr G D Wilson	2	2
Mrs P Winn	2	3

Effective oversight of funds

Whilst the full board meets less than six times a year, the Trustees sit on various delegated committees which meet more regularly including audit, finance, capital allocations, business development and operations. All of these committee report to the full board, and Trustees are drawn from the full board to sit on these committees. We also issue management accounts regularly to all the Trustees to ensure oversight is maintained.

Hull Collaborative Academy Trust

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

- As of 1 September 2019 centralisation of services continues. This is being conducted in a sustainable and measured manner. Further opportunities to bring services in-house are being explored. As the Trust grows, these savings should increase, with the fixed costs being shared across a greater number of schools.
- The Trust continues move to more robust management information systems to minimise the resources needed at the centre to ensure good governance and oversight at a Trust level and within individual academies.
- The Trust procured compliance management system compliments the Trustwide financial system and budgeting software with asset management, supplier and contracts management, as well as an electronic risk register and policy monitoring and approval should all help the Trust to manage its resources effectively.
- Central procurement of software, SIMS support services and Internet and Filtering have been purchased centrally yielding MAT discounts. Utilities have been a focus this year and The Trust are now working with a ISBL (Institute of Business Leaders) approved partner to ensure schools get the best possible deals for schools utilities needs.
- The Trust uses Buying for Schools as a starting point for all procurement. It has accessed for example the Risk Protection Arrangement, Multifunction Device framework, Crescent Purchasing Consortium and the Crown Commercial Services Technology Catalogue during 2019/20 and expects to extend the use of the services highlighted by Buying For Schools to obtain best value through benchmarking and procurement.
- The Trust (from 1st September 2019) posts all journals centrally to ensure consistency across the Trust and to minimise coding errors. The Trust also receives all GAG funding in the Central Trust Bank account, schools are then sent their funding allocations after all essential after deductions are made. This ensures an efficient business process as numerous transaction had to take place previously with the 17 bank accounts involved, this also minimises any risk of error.

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 Hull Collaborative Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Hull Collaborative Academy Trust

Governance Statement (continued)

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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to re-appoint Southgates as internal auditor

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

- testing of banking controls
- testing of income controls
- testing of purchase controls

On a regular basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There were no material control or other issues reported by the internal auditor to date.

Review of effectiveness

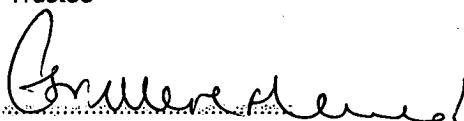
As Accounting Officer, Mrs E M Macdonald OBE has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the 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 Audit Committee Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by:


Mr G D Wilson
Trustee


Mrs E M Macdonald OBE
Trustee

Hull Collaborative Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hull Collaborative 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 2018.

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

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



Mrs E M Macdonald OBE
Accounting officer

10 December 2019

Hull Collaborative Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

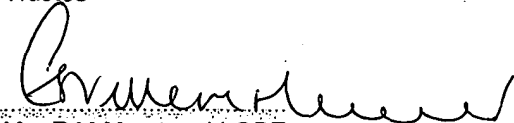
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 on 10 December 2019 and signed on its behalf by:



Mr G D Wilson
Trustee



Mrs E M Macdonald OBE
Trustee

Hull Collaborative Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Hull Collaborative Academy Trust

Opinion

We have audited the financial statements of Hull Collaborative Academy Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Hull Collaborative Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Hull Collaborative Academy Trust (continued)

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 Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

We have nothing to report in respect of the following matters where 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 [set out on page 22], 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Hull Collaborative Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Hull Collaborative Academy Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Forrester Boyd Robson Limited

Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: 12/12/2019

Hull Collaborative Academy Trust

Independent Reporting Accountant's Report on Regularity to Hull Collaborative Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hull Collaborative Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Board of Trustees's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 27 June 2013 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency. 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 from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives, and obtaining representations from the Accounting Officer and other Key Management Personnel.

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hull Collaborative Academy Trust

Independent Reporting Accountant's Report on Regularity to Hull Collaborative Academy Trust and the Education & Skills Funding Agency (continued)

Forrester Boyd Robson Limited

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *12/12/2019*

Hull Collaborative Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	533,197	(1,223,477)	5,290,274	4,599,994
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3		31,689,745		31,689,745
Other trading activities	4	1,037,891	331,368		1,369,259
Investments	5	20,461			20,461
Total		1,591,549	30,797,636	5,290,274	37,679,459
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	196,798	34,569,750	1,753,028	36,519,576
Net income/(expenditure)		1,394,751	(3,772,114)	3,537,246	1,159,883
Transfers between funds		(1,237,110)	1,004,459	232,651	
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	27		(5,267,000)		(5,267,000)
Net movement in funds/(deficit)		157,641	(8,034,655)	3,769,897	(4,107,117)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		1,608,863	(7,704,520)	56,615,955	50,520,298
Total funds/(deficit) carried forward at 31 August 2019		1,766,504	(15,739,175)	60,385,852	46,413,181

Hull Collaborative Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Income and endowments from:					
Donations and capital grants	2	322,754	(420,890)	2,074,014	1,975,878
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	27,284,997	-	27,284,997
Other trading activities	4	1,102,401	426,447	-	1,528,848
Investments	5	6,395	-	-	6,395
Total		1,431,550	27,290,554	2,074,014	30,796,118
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	147,549	29,771,702	1,488,270	31,407,521
Net income/(expenditure)		1,284,001	(2,481,148)	585,744	(611,403)
Transfers between funds		(1,498,327)	1,135,295	363,032	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	27	-	2,845,000	-	2,845,000
Net movement in (deficit)/funds		(214,326)	1,499,147	948,776	2,233,597
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		1,823,189	(9,203,667)	55,667,179	48,286,701
Total funds/(deficit) carried forward at 31 August 2018		1,608,863	(7,704,520)	56,615,955	50,520,298

Hull Collaborative Academy Trust
(Registration number: 08542806)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	7,611	1,622
Tangible assets	13	<u>59,520,567</u>	<u>56,022,716</u>
		<u>59,528,178</u>	<u>56,024,338</u>
Current assets			
Stocks	14	104	1,643
Debtors	15	1,142,864	1,194,072
Cash at bank and in hand		<u>4,275,151</u>	<u>3,756,244</u>
		5,418,119	4,951,959
Creditors: Amounts falling due within one year	16	<u>(2,898,116)</u>	<u>(2,656,999)</u>
Net current assets		<u>2,520,003</u>	<u>2,294,960</u>
Total assets less current liabilities		<u>62,048,181</u>	<u>58,319,298</u>
Net assets excluding pension liability		62,048,181	58,319,298
Pension scheme liability	27	<u>(15,635,000)</u>	<u>(7,799,000)</u>
Net assets including pension liability		<u>46,413,181</u>	<u>50,520,298</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(104,175)	94,480
Restricted fixed asset fund		60,385,852	56,615,955
Restricted pension fund		<u>(15,635,000)</u>	<u>(7,799,000)</u>
		44,646,677	48,911,435
Unrestricted funds			
Unrestricted general fund		<u>1,766,504</u>	<u>1,608,863</u>
Total funds		<u>46,413,181</u>	<u>50,520,298</u>

The financial statements on pages 28 to 63 were approved by the Trustees, and authorised for issue on 10 December 2019 and signed on their behalf by:


Mr G D Wilson
Trustee

Hull Collaborative Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	21	5,050,351	2,184,854
Cash transferred in from conversions/existing academies joining the trust		(470,733)	(155,197)
Returns on investments and servicing of finance	22	20,461	6,395
Capital expenditure and financial investment	23	<u>(4,081,172)</u>	<u>(1,437,141)</u>
Increase in cash in the year	24	<u>518,907</u>	<u>598,911</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

General information

The multi Academy Trust is a private company limited by guarantee incorporated in England and Wales and the company registration number is 08542806.

The address of its registered office is:

The Marvell College
Barham Road
Hull
HU9 4EE

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

Basis of preparation

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

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Hull Collaborative Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Transfer of existing academies into the trust

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

Donated fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. The Trust charges a Central Service Contribution to pay for financial and legal services. It also includes executive time from the founding heads and the central services team which includes the school improvement team, Strategic Business Manager, Emotional Wellbeing Officer, Administration Support, Safeguarding Lead, Health and Safety, HR, and Payroll.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Intangible fixed assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class

Website

Amortisation method and rate

Straight line over 3 years

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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. 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 and leasehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Freehold land	0%
Long leasehold land	Over the residual period of the 125 year lease
Freehold buildings	2% on a straight line basis
Long leasehold buildings	2% on a straight line basis
Building improvements	2% - 10% on a straight line basis
Computer equipment	25% on a reducing balance basis
Furniture and equipment	25% on a straight line basis
Motor vehicles	25% on a straight line basis

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Private finance initiative

The Marvell College building was built under a private finance initiative ("PFI") agreement by Kingston Upon Hull City Council.

When the school converted to an academy the agreement was legally amended to take account of the change in circumstances. For the length of the agreement Kingston Upon Hull City Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to Hull Collaborative Academy Trust by Kingston Upon Hull City Council on a monthly basis, and is re-calculated annually. The proportion of the cost that relates to the capital and finance costs payments under the agreement is charged to Hull Collaborative Academy Trust by Kingston Upon Hull City Council, however Hull Collaborative Academy Trust receive equivalent funding each year from the Education and Skills Funding Agency (ESFA) to cover the capital and finance costs payments in their entirety.

The income received from the ESFA for the PFI contribution is included in the Statement of Financial Activities under 'Funding for the academy trust's educational operations'. The expenditure incurred is included in the Statement of Financial Activities under 'academy trust educational operations'.

The private finance liability remains with Kingston Upon Hull City Council and, therefore, the governors have decided to treat the payments to Kingston Upon Hull City Council as if they were made under an operating lease agreement.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

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

Stock

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Educational trips and visits	133,540	-	-	133,540	120,659
Capital grants	-	-	943,537	943,537	677,829
Transfer in of existing academies	326,643	(1,223,477)	4,346,737	3,449,903	1,104,573
Other donations	73,014	-	-	73,014	72,817
	<u>533,197</u>	<u>(1,223,477)</u>	<u>5,290,274</u>	<u>4,599,994</u>	<u>1,975,878</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2019 £	Total 2018 £
DfE/ESFA revenue grants			
Pupil Premium	2,624,681	2,624,681	2,231,396
UFSM	601,596	601,596	554,391
Other ESFA Funding	643,486	643,486	388,547
General Annual Grant	<u>25,665,584</u>	<u>25,665,584</u>	<u>22,329,232</u>
	<u>29,535,347</u>	<u>29,535,347</u>	<u>25,503,566</u>
Other government grants			
Statement and Early Years Funding	2,089,875	2,089,875	1,695,244
Other Grants	<u>64,523</u>	<u>64,523</u>	<u>31,187</u>
	<u>2,154,398</u>	<u>2,154,398</u>	<u>1,726,431</u>
Non-government grants and other income			
Lottery Grant	-	-	10,000
Teaching School	-	-	45,000
	-	-	<u>55,000</u>
Total grants	<u>31,689,745</u>	<u>31,689,745</u>	<u>27,284,997</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	111,679	-	111,679	85,837
Catering income	136,850	-	136,850	107,371
Recharges and reimbursements	47,667	-	47,667	54,614
Other sales	741,695	331,368	1,073,063	1,281,026
	<u>1,037,891</u>	<u>331,368</u>	<u>1,369,259</u>	<u>1,528,848</u>

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Bank Interest	<u>20,461</u>	<u>20,461</u>	<u>6,395</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2019 £	Total 2018 £
Academy's educational operations					
Direct costs	15,052,806	1,288,697	1,214,185	17,555,688	15,252,061
Allocated support costs	<u>11,612,270</u>	<u>3,028,191</u>	<u>4,323,427</u>	<u>18,963,888</u>	<u>16,155,460</u>
	<u>26,665,076</u>	<u>4,316,888</u>	<u>5,537,612</u>	<u>36,519,576</u>	<u>31,407,521</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating leases - PFI payments	1,350,513	1,121,547
Operating leases - other leases	60,693	40,629
Fees payable to auditor - audit	26,850	33,750
- other audit services	8,000	13,300
Amortisation	1,711	6,481
Depreciation	<u>1,519,162</u>	<u>1,311,579</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities

		Total 2019 £	Total 2018 £
Direct costs - educational operations		17,555,688	15,252,061
Support costs - educational operations		18,963,888	16,155,460
		<u>36,519,576</u>	<u>31,407,521</u>
	Educational operations £	Total 2019 £	Total 2018 £
Analysis of support costs			
Support staff costs	11,612,270	11,612,270	9,741,424
Depreciation	232,174	232,174	161,363
Technology costs	474,582	474,582	365,527
Premises costs	2,796,017	2,796,017	2,424,326
Other support costs	3,848,845	3,848,845	3,462,820
Total support costs	<u>18,963,888</u>	<u>18,963,888</u>	<u>16,155,460</u>

8 Staff

Staff costs

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	19,722,784	16,241,323
Social security costs	1,799,988	1,478,304
Pension costs	4,364,040	3,735,766
	<u>25,886,812</u>	<u>21,455,393</u>
Supply staff costs	763,773	869,572
Staff restructuring costs	14,491	47,443
	<u>26,665,076</u>	<u>22,372,408</u>
	2019 £	2018 £
Staff restructuring costs comprise:		
Redundancy payments	542	1,061
Severance payments	13,949	46,382
	<u>14,491</u>	<u>47,443</u>

The staff restructuring costs are statutory and contractual.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,949 (2018: £46,382). Individually, the payments were: £12,549 and £1,400.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	355	317
Administration and support	568	495
Management	6	4
	<u>929</u>	<u>816</u>

Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	7	6
£70,001 - £80,000	6	2
£80,001 - £90,000	1	-
£90,001 - £100,000	2	4
£100,001 - £110,000	2	1
£120,001 - £130,000	-	2
£140,001 - £150,000	1	1
£150,001 - £160,000	<u>1</u>	<u>-</u>

The above disclosure is based on a remuneration for a 12 month period.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £759,689 (2018: £748,409).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 Central services

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

- The Trust charges a Central Service Contribution to pay for financial and legal services. It also includes executive time from the founding heads and the central services team which includes the school improvement team, Strategic Business Manager, Emotional Wellbeing Officer, Administration Support, Safeguarding Lead, Health and Safety, HR, and Payroll.

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

- During this year the Academy Trust agreed that each school funded and agreed proportionate amount comparable to their GAG income.

6.5% if a sponsored school, to allow for the greater support

5.5% for all other schools

The actual amounts charged during the year were as follows:

	2019 £
Bellfield Primary School	47,122
Collingwood Primary School	76,697
Dorchester Primary School	70,573
Eastfield Primary School	118,656
Gilberdyke Primary School	53,626
Longhill Primary School	86,167
The Marvell College	59,744
Pearson Primary School	51,018
Hull SCITT	25,000
Stockwell Primary School	81,013
Sutton Park Primary School	73,588
Thoresby Primary School	99,791
Wansbeck Primary School	63,705
Westcott Primary School	62,812
Wheeler Primary School	109,681
Withernsea Primary School	120,115
	<u>1,199,308</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

10 Related party transactions - 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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Mrs E M Macdonald OBE (Head Teacher):

Remuneration: £155,000 - £160,000 (2018 - £145,000 - £150,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £20,000 - £25,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £Nil) were reimbursed or paid directly to 0 Trustees (2018 - 0).

Other related party transactions involving the Trustees are set out in note 28.

11 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.

12 Intangible fixed assets

	Intangible assets £	Total £
Cost		
At 1 September 2018	14,584	14,584
Additions	<u>7,700</u>	<u>7,700</u>
At 31 August 2019	<u>22,284</u>	<u>22,284</u>
Amortisation		
At 1 September 2018	12,962	12,962
Charge for the year	<u>1,711</u>	<u>1,711</u>
At 31 August 2019	<u>14,673</u>	<u>14,673</u>
Net book value		
At 31 August 2019	<u>7,611</u>	<u>7,611</u>
At 31 August 2018	<u>1,622</u>	<u>1,622</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Leasehold improvements £	Motor vehicles £	Total £
Cost							
At 1 September 2018	27,695,860	28,029,264	338,170	662,126	1,975,701	14,613	58,715,734
Additions			163,525	193,312	305,753	13,283	675,873
Transfer from existing academy trust		4,270,470	18,176	52,490			4,341,136
At 31 August 2019	<u>27,695,860</u>	<u>32,299,734</u>	<u>519,871</u>	<u>907,928</u>	<u>2,281,454</u>	<u>27,896</u>	<u>63,732,743</u>
Depreciation							
At 1 September 2018	1,071,555	955,827	131,311	335,938	195,339	3,044	2,693,014
Charge for the year	<u>530,491</u>	<u>606,048</u>	<u>95,565</u>	<u>130,969</u>	<u>152,159</u>	<u>3,930</u>	<u>1,519,162</u>
At 31 August 2019	<u>1,602,046</u>	<u>1,561,875</u>	<u>226,876</u>	<u>466,907</u>	<u>347,498</u>	<u>6,974</u>	<u>4,212,176</u>
Net book value							
At 31 August 2019	<u>26,093,814</u>	<u>30,737,859</u>	<u>292,995</u>	<u>441,021</u>	<u>1,933,956</u>	<u>20,922</u>	<u>59,520,567</u>
At 31 August 2018	<u>26,624,305</u>	<u>27,073,437</u>	<u>206,859</u>	<u>326,188</u>	<u>1,780,362</u>	<u>11,569</u>	<u>56,022,720</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Tangible fixed assets (continued)

Included within leasehold land and buildings is £30,737,859 (2018: £27,073,434) relating to long leasehold land and buildings.

The leasehold land and buildings at Bellfield Primary was revalued to £1,751,558 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Collingwood Primary was revalued to £1,867,402 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Dorchester Primary was revalued to £2,174,017 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land at Eastfield Primary was revalued to £1,480,922 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

During the period ended 31 August 2016 the donated building was replaced with a new building and was assessed to have a new value of £5,400,000 per an estimation by the ESFA.

The leasehold land and buildings at Gilberdyke Primary was donated to the trust at a value of £3,059,000 in the period ended 31 August 2017 per a valuation in March 2017 provided by the local authority.

The leasehold land and buildings at Longhill Primary was transferred to the trust at a value of £4,259,987 in the period ended 31 August 2017 per depreciated cost recognised in the period ended 30 June 2017 Financial Statements for Longhill Primary School.

The freehold land at The Marvell College was donated to the trust at a value of £25,073,920 in the period ended 31 August 2017 per a valuation in March 2016 provided by Hull City Council.

The freehold land and buildings at Pearson Primary was revalued to £2,621,940 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Stockwell Primary was transferred to the trust at a value of £1,395,376 in the period ended 31 August 2018 per depreciated cost recognised in the period ended 30 September 2017 Financial Statements for Sentamu Academy Learning Trust.

The leasehold land and buildings at Sutton Park Primary was revalued to £1,797,878 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Thoresby Primary was revalued to £1,493,105 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Wansbeck Primary was revalued to £1,808,180 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Wheeler Primary was revalued to £1,541,840 in the period ended 31 August 2016 per a valuation in March 2016 provided by Hull City Council.

The leasehold land and buildings at Withernsea Primary was transferred to the trust at a value of £4,270,470 in the period ended 31 August 2019 per depreciated cost recognised in the period ended 31 August 2018 Financial Statements for Withernsea Primary School.

There is a formal lease in place with the local authority for 125 years for all the land and buildings (with the exception of Pearson Primary and The Marvell College which are freehold land and buildings) at £nil rental. As the academy holds the risks and rewards of the building, the asset has been included on the basis of substance over legal form.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Stock

	2019 £	2018 £
Uniform	104	1,643

15 Debtors

	2019 £	2018 £
Trade debtors	199,530	222,802
VAT recoverable	236,275	305,662
Other debtors		500
Prepayments	274,256	241,666
Accrued grant and other income	432,803	423,442
	<u>1,142,864</u>	<u>1,194,072</u>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,168,670	989,604
Other taxation and social security	433,029	372,223
Other creditors	17,363	58,052
Accruals	448,339	450,841
Deferred income	442,872	443,789
Pension scheme creditor	387,843	342,490
	<u>2,898,116</u>	<u>2,656,999</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	443,789	324,001
Resources deferred in the period	442,872	443,789
Amounts released from previous periods	<u>(443,789)</u>	<u>(324,001)</u>
Deferred income at 31 August 2019	<u>442,872</u>	<u>443,789</u>

Deferred income relates to Universal Free School Meal funding received in July 2019, rates relief claim funding received in advance for the period September 2019 to March 2020, trip income relating to trips taken post year end and bursary payments owing at the year end.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	94,480	25,665,584	(26,782,642)	918,403	(104,175)
Other Dfe/ESFA grants	-	643,486	(643,486)	-	-
UFSM	-	601,596	(601,596)	-	-
Statement and Early Years Funding	-	2,089,875	(2,089,875)	-	-
Pupil Premium	-	2,624,681	(2,624,681)	-	-
Other Grants	-	395,891	(481,947)	86,056	-
Transfer of Restricted General Funds from existing academies into the Trust	-	66,523	(66,523)	-	-
	<u>94,480</u>	<u>32,087,636</u>	<u>(33,290,750)</u>	<u>1,004,459</u>	<u>(104,175)</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,723,321	949,138	(625,381)	(1,212,729)	7,834,349
Donated Assets from Local Authority	36,216,746	-	(729,489)	1,445,380	36,932,637
Transfer of Assets from existing academies into the Trust	11,675,888	4,341,136	(398,158)	-	15,618,866
	<u>56,615,955</u>	<u>5,290,274</u>	<u>(1,753,028)</u>	<u>232,651</u>	<u>60,385,852</u>
Restricted pension funds					
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(7,799,000)</u>	<u>(1,290,000)</u>	<u>(1,279,000)</u>	<u>(5,267,000)</u>	<u>(15,635,000)</u>
Total restricted funds	48,911,435	36,087,910	(36,322,778)	(4,029,890)	44,646,677
Unrestricted funds					
Unrestricted general funds	<u>1,608,863</u>	<u>1,591,549</u>	<u>(196,798)</u>	<u>(1,237,110)</u>	<u>1,766,504</u>
Total funds	<u>50,520,298</u>	<u>37,679,459</u>	<u>(36,519,576)</u>	<u>(5,267,000)</u>	<u>46,413,181</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(88,667)	22,354,342	(23,437,423)	1,266,228	94,480
Other Dfe/ESFA grants	-	388,547	(388,547)	-	-
UIFSM	-	554,391	(554,391)	-	-
Statement and Early Years Funding	-	1,695,244	(1,695,244)	-	-
Pupil Premium	-	2,231,396	(2,231,396)	-	-
Teaching School Grant	-	45,000	(45,000)	-	-
Lottery Grant	-	10,000	(10,000)	-	-
Other Grants	-	426,447	(295,514)	(130,933)	-
Other Government Grants	-	31,187	(31,187)	-	-
	<u>(88,667)</u>	<u>27,736,554</u>	<u>(28,688,702)</u>	<u>1,135,295</u>	<u>94,480</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,184,217	678,638	(502,566)	363,032	8,723,321
Donated Assets from Local Authority	36,934,386	-	(717,640)	-	36,216,746
Transfer of Assets from existing academies into the Trust	<u>10,548,576</u>	<u>1,395,376</u>	<u>(268,064)</u>	<u>-</u>	<u>11,675,888</u>
	55,667,179	2,074,014	(1,488,270)	363,032	56,615,955
Restricted pension funds					
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(9,115,000)</u>	<u>(446,000)</u>	<u>(1,083,000)</u>	<u>2,845,000</u>	<u>(7,799,000)</u>
Total restricted funds	46,463,512	29,364,568	(31,259,972)	4,343,327	48,911,435
Unrestricted funds					
Unrestricted general funds	<u>1,823,189</u>	<u>1,431,550</u>	<u>(147,549)</u>	<u>(1,498,327)</u>	<u>1,608,863</u>
Total funds	<u>48,286,701</u>	<u>30,796,118</u>	<u>(31,407,521)</u>	<u>2,845,000</u>	<u>50,520,298</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

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

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

SEN funding is provided for the provision of services for children with special educational needs.

Pupil Premium Grant, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital allocated direct by the DfE must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to those additions.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The Academy Trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital. Inherited assets are principally the land and buildings from the former school.

Transfer from General Annual Grant to Restricted Fixed Asset Fund is the result of General Annual Grant money being spent on capital expenditure.

Restricted Pension Funds represent the LGPS pension deficit.

During the year to 31 August 2019 a transfer from Unrestricted Funds of £232,651 to Restricted Fixed Asset Funds is the result of Unrestricted Funds being spent on capital.

During the year to 31 August 2019 a transfer from Unrestricted Funds of £1,004,459 to Restricted General Funds was made to cover the Restricted General Fund deficit. This is calculated on a school by school basis, however Eastfield Primary School, Gilberdyke Primary School, Thoresby Primary School, Westcott Primary School, Wheeler Primary School and Central did not hold enough Unrestricted Funds to cover the Restricted General Fund deficit, resulting in an overall Restricted General Funds deficit of £104,175.

During the year to 31 August 2018 a transfer from Unrestricted Funds of £363,032 to Restricted Fixed Asset Funds is the result of Unrestricted Funds being spent on capital.

During the year to 31 August 2018 a transfer from Unrestricted Funds of £1,135,295 to Restricted General Funds to cover the deficit within other schools.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 (including central service recharges of £1,199,308) were allocated as follows:

	Total £
Bellfield Primary School	101,498
Collingwood Primary School	3,201
Dorchester Primary School	383,736
Eastfield Primary School	(31,839)
Gilberdyke Primary School	(19,371)
Longhill Primary School	637,904
The Marvell College	304,412
Pearson Primary School	156,687
Stockwell Primary School	19,799
Hull SCITT	113,910
Sutton Park Primary School	9,864
Thoresby Primary School	(5,937)
Wansbeck Primary School	165,834
Westcott Primary School	(117,969)
Wheeler Primary School	(5,497)
Withernsea Primary School	394,542
Central services	<u>(448,445)</u>
Total before fixed assets and pension reserve	1,662,329
Restricted fixed asset fund	60,385,852
Pension reserve	<u>(15,635,000)</u>
Total	<u><u>46,413,181</u></u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Eastfield Primary School is carrying a net deficit of £31,839 on these funds because:

The school has increased the staffing resources due to additional requirements for High Needs children that are not funded by the Local Authority.

The trust is taking the following action to return the academy to surplus:

The Trust will review resources and challenge best value to consider whether further economies of scale can be achieved. This is expected to take up to 2 years to return to a balanced budget.

Gilberdyke Primary School is carrying a net deficit of £19,371 on these funds because:

The school has had a reduction in pupil numbers which due to the lagged funding has impacted on the current year.

The trust is taking the following action to return the academy to surplus:

The school and trust continue to look for economies of scale and savings where possible. This is expected to take up to 2 years to return to a balanced budget.

Thoresby Primary School is carrying a net deficit of £5,937 on these funds because:

As identified in previous years, the school has been working on their deficit due to school improvements from prior years including additional staffing resources.

The trust is taking the following action to return the academy to surplus:

The reduction in deficit in the current year is based on the 3 year plan to turn the finances of the school round and is on target to be back in surplus within the original 3 year plan.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

Westcott Primary School is carrying a net deficit of £117,969 on these funds because:

The school has increased the staffing resources due to additional requirements for High Needs children which are not funded by the Local Authority, plus specific work on school improvement in the year.

The trust is taking the following action to return the academy to surplus:

The trust are working with the school to review structure and resources to return to a balanced budget within 3 years.

Wheeler Primary School is carrying a net deficit of £5,497 on these funds because:

The school has had several one-off costs building works this year, which has impacted on the results creating a small deficit.

The trust is taking the following action to return the academy to surplus:

The school will review all aspects to ensure that it returns to a surplus within 12 months.

Central Services is carrying a net deficit of £448,445 on these funds because:

The increase in deficit is largely due to the additional internal behaviour provision created at two of our schools - the Dorchester Den and Wansbeck Wizards. The trust decision to run these 2 provisions for a 2 year period, acknowledging that the staffing required was high, but that being an inclusive trust and aware of the lack of special places within Hull City Council provision, would result in an increase in our deficit centrally.

The trust is taking the following action to return central services to surplus:

This provision continues to be reviewed, and whilst financially it is not a balanced budget operation, the benefits to the children involved has been significant enabling children to be returned to their original schools or transferred to another school within the Trust. The central costs are reviewed regularly to see where other savings can be made and these will continue.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 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 2019 £	Total 2018 £
Bellfield Primary School	520,084	382,869	29,859	248,705	1,181,517	1,168,803
Collingwood Primary School	937,025	449,040	84,952	362,535	1,833,552	1,779,803
Dorchester Primary School	864,144	832,046	39,541	346,885	2,082,616	1,956,244
Eastfield Primary School	1,219,718	1,000,001	54,181	669,423	2,943,323	2,808,960
Gilberdyke Primary School	556,395	368,910	29,520	244,616	1,199,441	1,212,470
Longhill Primary School	881,199	641,832	51,646	464,845	2,039,522	1,933,575
The Marvell College	2,536,071	1,714,118	318,105	2,564,062	7,132,356	6,541,482
Pearson Primary School	518,100	460,285	19,970	245,745	1,244,100	1,136,119
Hull SCITT	81,902	35,902	-	236,346	354,150	206,505
Stockwell Primary School	888,836	668,476	39,112	433,838	2,030,262	1,814,233
Sutton Park Primary School	902,241	545,503	27,931	292,792	1,768,467	1,943,278
Thoresby Primary School	1,069,646	679,306	41,752	485,467	2,276,171	2,231,670
Wansbeck Primary School	639,477	401,024	78,704	289,613	1,408,818	1,243,845
Westcott Primary School	684,482	298,880	45,886	360,978	1,390,226	1,115,229
Wheeler Primary School	966,578	1,288,318	56,383	426,280	2,737,559	2,661,721
Withernsea Primary School	1,251,702	1,256,277	46,680	508,641	3,063,300	-
Central services	535,206	589,483	2,400	385,541	1,512,630	1,336,577
Academy Trust	<u>15,052,806</u>	<u>11,612,270</u>	<u>966,622</u>	<u>8,566,312</u>	<u>36,198,010</u>	<u>31,090,514</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	7,611	7,611
Tangible fixed assets	-	-	59,520,567	59,520,567
Current assets	1,766,504	2,793,941	857,674	5,418,119
Current liabilities	-	(2,898,116)	-	(2,898,116)
Pension scheme liability	-	(15,635,000)	-	(15,635,000)
Total net assets	<u>1,766,504</u>	<u>(15,739,175)</u>	<u>60,385,852</u>	<u>46,413,181</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	1,622	1,622
Tangible fixed assets	-	-	56,022,716	56,022,716
Current assets	1,608,863	2,751,479	591,617	4,951,959
Current liabilities	-	(2,656,999)	-	(2,656,999)
Pension scheme liability	-	(7,799,000)	-	(7,799,000)
Total net assets	<u>1,608,863</u>	<u>(7,704,520)</u>	<u>56,615,955</u>	<u>50,520,298</u>

19 Capital commitments

	2019 £	2018 £
Contracted for, but not provided in the financial statements	<u>478,827</u>	<u>-</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	58,018	33,972
Amounts due between one and five years	81,510	30,308
	<u>139,528</u>	<u>64,280</u>

Private finance initiative commitments

In relation to the private finance initiative (PFI) Hull Collaborative Academy Trust (in particular reference to The Marvell College) is committed to making the following payments to Kingston Upon Hull City Council over the remaining term of the PFI agreement (assuming an annual increase of 1.03%):

	2019 £	2018 £
Amounts due within one year	1,144,770	1,133,099
Amounts due within one and five years	3,505,543	3,469,804
Amounts due over five years	15,151,285	17,680,520
	<u>19,801,598</u>	<u>22,283,423</u>

21 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2019 £	2018 £
Net income/(expenditure)	1,159,879	(611,403)
Amortisation	1,711	6,481
Depreciation	1,519,162	1,311,579
Cash transferred in from conversions/existing academies joining the trust	470,733	155,197
Donated capital and capital grants	(943,537)	(677,829)
Interest receivable	(20,461)	(6,395)
FRS 102 net interest on defined benefit pension scheme	267,000	249,000
FRS 102 cost less contributions payable on defined benefit pension scheme	1,012,000	834,000
Decrease in debtors	51,208	298,503
Increase in creditors	241,117	181,364
Inherited pension	1,290,000	446,000
Decrease/(Increase) in stock	1,539	(1,643)
Net cash inflow from operating activities	<u>5,050,351</u>	<u>2,184,854</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Cash flows from financing activities

	2019 £	2018 £
Investments	<u>20,461</u>	<u>6,395</u>
Net cash provided by financing activities	<u>20,461</u>	<u>6,395</u>

23 Cash flows from investing activities

	2019 £	2018 £
Purchase of intangible fixed assets	(7,700)	
Purchase of tangible fixed assets	(675,873)	(719,594)
Capital funding received from sponsors and others	943,537	677,829
Inherited assets	<u>(4,341,136)</u>	<u>(1,395,376)</u>
Net cash used in investing activities	<u>(4,081,172)</u>	<u>(1,437,141)</u>

24 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>4,275,151</u>	<u>3,756,244</u>
Total cash and cash equivalents	<u>4,275,151</u>	<u>3,756,244</u>

25 Contingent liabilities

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

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by the reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

26 Members' liability

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Pension and similar obligations

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

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

Contributions amounting to £387,843 (2018 - £342,490) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving notional past service deficit of £22,000 million
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The employer's pension costs paid to TPS in the period amounted to £1,849,181 (2018: £1,573,313). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Pension and similar obligations (continued)

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,843,000 (2018 - £1,600,000), of which employer's contributions totalled £1,470,000 (2018 - £1,301,000) and employees' contributions totalled £373,000 (2018 - £299,000). The agreed contribution rates for future years are 22.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.50	2.50
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	<u>1.90</u>	<u>2.80</u>

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

	2019	2018
Retiring today		
Males retiring today	20.80	21.70
Females retiring today	23.30	24.20
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	<u>24.90</u>	<u>26.40</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2019 £	At 31 August 2018 £
Discount rate -0.5%	4,722,000	2,938,000
Salary rate +0.5%	821,000	593,000
Pension rate +0.5%	3,800,000	2,303,000
Mortality assumption - 1 year increase	<u>1,352,000</u>	<u>859,000</u>

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

	2019 £	2018 £
Equities	12,896,000	9,843,000
Other bonds	2,724,000	1,777,000
Property	1,998,000	1,641,000
Cash and other liquid assets	<u>545,000</u>	<u>410,000</u>
Total market value of assets	<u>18,163,000</u>	<u>13,671,000</u>

The actual return on scheme assets was £730,000 (2018 - £818,000).

Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	1,012,000	834,000
Interest cost	<u>267,000</u>	<u>249,000</u>
Total amount recognised in the SOFA	<u>1,279,000</u>	<u>1,083,000</u>

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

	2018 £	2017 £
At start of period	21,470,000	20,116,000
Transferred in on existing academies joining the trust	3,319,000	790,000
Current service cost	2,389,000	2,124,000
Interest cost	730,000	551,000
Employee contributions	373,000	299,000
Actuarial (gain)/loss	5,534,000	(2,329,000)
Benefits paid	(110,000)	(92,000)
Past service cost	<u>93,000</u>	<u>11,000</u>
At 31 August	<u>33,798,000</u>	<u>21,470,000</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27 Pension and similar obligations (continued)

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

	2019 £	2018 £
At start of period	13,671,000	11,001,000
Transferred in on existing academies joining the trust	2,029,000	344,000
Interest income	463,000	302,000
Actuarial gain/(loss)	267,000	516,000
Employer contributions	1,470,000	1,301,000
Employee contributions	373,000	299,000
Benefits paid	(110,000)	(92,000)
At 31 August	<u>18,163,000</u>	<u>13,671,000</u>

28 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Hull Collaborative Teaching School

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £37,469 (2018: £72,199) from Hull Collaborative Teaching School Limited.

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost' and Hull Collaborative Teaching School has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Hull Collaborative Teaching School was £4,301 (2018 - £2,440).

Hull Centre for Restorative Practice

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £6,158 (2018: £21,308) from Hull Centre for Restorative Practice Limited.

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost' and Hull Centre for Restorative Practice has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Hull Centre for Restorative Practice was £525 (2018 - £1,260).

Wilson Education

(A company in which G Wilson is a Director)

During the year the Trust purchased services amounting to £265 (2018: £580).

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Wilson Education was £Nil (2018 - £Nil).

Paul Nixon Consultants

(A company in which E Macdonald's brother is the owner)

During the year the Trust purchased services amounting to £2,000 (2018: £nil) from Paul Nixon Consultants.

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Paul Nixon Consultants was £Nil (2018 - £Nil).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28 Related party transactions (continued)

K Horne

K Horne, daughter of T Horne, company secretary and Strategic School Business Manager, is employed by the Academy Trust as a teacher. K Horne's appointment was made in open competition and T Horne was not involved in the decision making process regarding appointment. K Horne is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

J Hindson

J Hindson, daughter of C Hindson, a trustee, is employed by the Academy Trust as a teacher. J Hindson's appointment was made in open competition and C Hindson was not involved in the decision making process regarding appointment. J Hindson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

C Williams

C Williams, daughter of E Macdonald, CEO, is employed by the Academy Trust as a teacher. C Williams received £11,595 (2018 - £1,648) during the year as an employee of the Trust. C Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Director.

F Marks

F Marks, spouse of D Marks, Head of School Improvement, is employed by the Academy Trust as a Director of Reading. F Marks' appointment was made in open competition and D Marks was not involved in the decision making process regarding appointment. F Marks is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

Income related party transactions

During the year the academy made the following related party transactions:

Hull Collaborative Teaching School

(A company in which E Macdonald is a Director)

During the year the Trust recharged services amounting to £54,106 (2018: £99,971) to Hull Collaborative Teaching School Limited.

At the balance sheet date the amount due from Hull Collaborative Teaching School was £37,826 (2018: £37,349).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

29 Transfer of existing academies into the Trust

Withernsea Primary School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	4,270,470	4,270,470
Furniture and equipment	18,176	18,176
Computer equipment	52,490	52,490
	<u>4,341,136</u>	<u>4,341,136</u>
Other assets		
Debtors due in less than one year	78,038	78,038
Cash in bank and in hand	470,733	470,733
	<u>548,771</u>	<u>548,771</u>
Liabilities		
Creditors due in less than one year	(150,004)	(150,004)
Pensions		
Pensions – pension scheme liabilities	<u>(1,290,000)</u>	<u>(1,290,000)</u>
Net assets	<u>3,449,903</u>	<u>3,449,903</u>
		£
Unrestricted Fund		326,643
Restricted general fund		(1,223,477)
Restricted fixed asset fund		4,346,737
Total funds		<u>3,449,903</u>