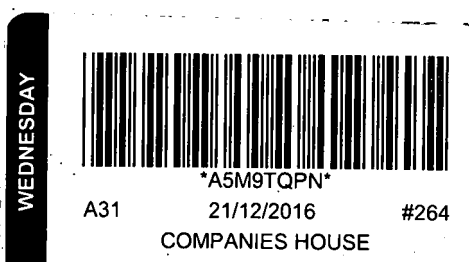


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Yorkshire Collaborative Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Period from 2 July 2015 to 31 August 2016

Company Registration Number:
09668526 (England and Wales)



Yorkshire Collaborative Academy Trust

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Yorkshire Collaborative Academy Trust

Reference and Administrative Details

Members

A West
S Root
L Pugh
N Simpson
J Holliday (resigned 20th April)
P Laurence (appointed 20th April 2016)

Trustees

M Ellison (chair- resigned 24th June 2016)
I Moore (chair from 4th July 2016)
R Gook
M Bellamy
N Muttick
F Rogers
D Parker (CEO)
J Ratcliffe (Headteacher trustee)
J Robinson (Headteacher trustee)

Senior Management Team:

CEO
CFO

D Parker
J O'Gara

School Improvement Leadership Group

J Ratcliffe
J Robinson
R Street
E Nayler

Company Name:

Yorkshire Collaborative Academy Trust

Principal and Registered Office:

Bilton Grange School
Bilton Lane
Harrogate HG1 3BA

Company registration number:

9668526 (England and Wales)

Independent Auditor:

Sagars Accountants Ltd
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

Bankers:

Lloyds Bank Plc
8-11 Cambridge Crescent
Harrogate
HG1 1PQ

Solicitors

Ward Hadaway LLP
1A Tower Square
Wellington Street
Leeds
LS1 4DL

Yorkshire Collaborative Academy Trust

Chairman's Statement

" Working and learning together to improve children's lives"

Our first year as a multi academy trust has been challenging and exciting. We have focused on ensuring our governance structure is robust and effective at all levels. The trust values each school's governing body and we believe the local governing body should provide the drive to improve outcomes for children in each school.

Our core principles are built on organic leadership so all who work in the trust strive to find the best ways to meet our children's needs. This requires strong lines of communication between trustees, governors and staff.

As a result a key priority during this year has been establishing our accountability framework to ensure roles, responsibility and accountability are clearly understood within the governance structure. The framework provides strong foundations for effective governance as we begin to grow during the next few years.

Chief Executive Officer's Review of the Year

The priority in our first year has been to develop a collaborative culture that encourages sharing expertise across our schools to further improve provision for all our children. Our School Improvement Leadership Group (SILG) has been established and is strategically planning support for the trust's schools. We have introduced joint training days for teachers and support staff and this has helped foster a team approach.

Pupils' outcomes in our schools have remained strong and our aim is continuous improvement for all groups of pupils.

Our trust continues to grow and we look forward to Hawes Community Primary School (sponsored) joining us in the next year. This will further contribute to building our trust's capacity for school improvement and support. We are exploring ways to make savings for our external services and support that will provide extra resources for children's provision. Our priority for next year is to establish consistent operational models in our working practices.

I would like to thank our staff, governors and trustees for all their hard work and support during our first year.

During this first year we have effectively established collaborative approaches, central systems and leadership capacity that will sustain school improvement going forward.

Yorkshire Collaborative Academy Trust

Trustees' Report for the period from 2 July 2015 to 31 August 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 2nd July 2015 (the incorporation date) to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 3 academies for pupils aged 3 to 11 in the North Yorkshire area, all of which converted to academy status on 1st August 2015. The trust has a combined pupil capacity of 560 and had a roll of 542 in the school census in October 2015. The trust includes the lead school for the HART Teaching Alliance, which has over 40 members and the HART of Yorkshire SCITT which provides initial teacher training.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Yorkshire Collaborative Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Yorkshire Collaborative Academy Trust or YCAT.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

The trust, on identifying a need to recruit an additional or replacement trustee will identify requirements based on a skills audit of the current trustees. Candidates will be sought from both within the school and local communities. The new trustee will be proposed by the Chief Executive Officer and Chair of Trustees following interview. The candidate will then be presented to the Board of Trustees who will vote on whether to accept them. All new trustees will be required to complete an Enhanced Disclosure (through the Disclosure Barring Service) before the selection is confirmed.

Policies and Procedures Adopted for the Induction and Training of Trustees

A bespoke induction programme will be provided to all new trustees, informed by the National Governors Association. Trustees and Governors are invited to collaborative leadership training provided by the trust and are encouraged to access training as and when required.

Organisational Structure

Governance, Leadership and Management of the Trust is carried out by the following:

- Board of Trustees
- Individual Committees of the Board of Trustees (Finance, Resources, Audit and Risk Committee and School Improvement Leadership Group)
- YCAT Chief Executive Officer and Chief Financial Officer
- School Local Governing Bodies
- Headteachers of each school

A comprehensive Accountabilities Framework has been agreed by the Trustees and identifies responsibilities and accountability across these groups. The Accountabilities Framework is available on the YCAT website at www.ycatschools.co.uk

In summary, the Trustees have the following role:

- Custodians of the values and vision of the Multi Academy Trust (MAT)
- Strategically planning with leaders the development of the MAT
- Monitoring and evaluating the progress of the MAT's improvement and development plan.
- Consulting with leaders, staff and local governing bodies.
- The trustees should provide challenge and support for leaders, but are not there to lead or undertake the detailed work of the MAT.
- Trustees should promote the development of "Tight-loose balance" in all aspects of the MAT's work.

Yorkshire Collaborative Academy Trust

Trustees' Report for the period from 2 July 2015 to 31 August 2016 (continued)

The CEO and CFO have cross MAT responsibility for delivering on the strategic plans. Local governing bodies and headteachers have a high level of delegated responsibilities and must ensure they meet the challenge of meeting their statutory duties and regulations and continuously improving children's outcomes

Organic leadership is promoted in YCAT so that we ensure that there are regular opportunities for communication between governors, leaders and trustees. We have a termly meeting for all schools with an opportunity for discussion and training for school leaders, governors and trustees.

Arrangements for setting pay and remuneration of key management personnel

The trustees agree pay and remuneration for key management personnel and the levels are benchmarked against similar schools. Any changes to pay and remuneration are agreed by the trustees through a formal performance management process.

Related parties and other connected charities and organisations

Askwith School is the lead school for the Harrogate and Rural Teaching Alliance (HART) which includes over 40 members and the accounts for HART are included within YCAT. HART supports initial teacher training, school improvement, continuing professional development, leadership development and succession planning and research and development.

The HART of Yorkshire School Centred Initial Teacher Training (SCITT) is also part of YCAT and provides initial teacher training to graduates. During the year, 13 graduates were trained through the HART of Yorkshire SCITT.

Objectives and Activities

Objects and aims

The principal object of the charitable company is the operation of Yorkshire Collaborative Academy Trust to advance, for the public benefit, education for children aged 3-11. The key aim of Yorkshire Collaborative Academy Trust is to improve provision and outcomes for all our pupils by sharing expertise through collaborative practice.

Objectives, Strategies and Activities

The key objectives for the first year of operation were to:

- Establish robust structures and processes for operation of the multi academy trust;
- Establish a clear accountability framework for governance of the multi academy trust;
- Develop a strong, collaborative approach to school improvement including building capacity to sponsor schools; and
- Ensure the day to day running of the schools was not adversely impacted by the conversion process.

YCAT's processes and structures were developed following considerable research into best practice for multi academy trusts and with advice from a range of professional advisors and support from trustees. The accountability framework was also developed with reference to successful models in established multi academy trusts and provides clarity for responsibility and decision making across the trust.

The YCAT schools have a strong history of collaboration both informally and through the HART Teaching School Alliance. The move to multi academy trust has further strengthened this collaboration and a structured, cross school approach to school improvement has been developed. YCAT began supporting Hawes Primary School, a rural school in special measures, in Summer 2016 and Hawes joined YCAT as a sponsored conversion on 1 October 2016.

During the first year of operation, staffing levels were established to ensure there was no loss of focus at each school. A CFO was also recruited by the trustees, with responsibility for commercial and financial process management in addition to conversion project management.

Yorkshire Collaborative Academy Trust

Trustees' Report for the period from 2 July 2015 to 31 August 2016 (continued)

Public Benefit

The trustees confirm that they have referred to the guidance on public benefit provided by the Charities Commission when establishing the trust's key objectives.

All the schools within the Academy Trust provide an inclusive curriculum for the pupils within their local community and offer the facility for local organisations to let their premises. All the schools work with their local secondary schools to ensure a smooth transition into secondary education for pupils

Strategic Report

Achievements and Performance

The Trust has achieved strong performance against its aims and objectives in its first year of operation.

Key Performance Indicators

Performance as measured by the outcomes of the 2016 Year 6 cohort indicates very strong academic performance in 2015/16. Performance at school and trust level was as follows:

	% Pupils achieving expected standard					
	Number of pupils	Reading, Writing and Maths	Reading	Writing	Maths	Grammar, Punctuation and Spelling
Bilton Grange School	45	76%	81%	82%	86%	79%
Askwith School	15	87%	87%	100%	93%	93%
Lothersdale School	19	79%	84%	90%	95%	95%
YCAT	79	79%	83%	87%	89%	86%
National Average	n/a	53%	66%	74%	70%	72%

Schools within the trust have the following Ofsted categories:

Bilton Grange School- Good

Askwith School- Outstanding

Lothersdale School- Outstanding

Hawes Primary School joined the Trust just after the year end, on 1 October 2016. Hawes was rated inadequate by Ofsted in December 2015 and placed in Special Measures. YCAT has supported Hawes during Summer 2016 and are starting to put in place robust school improvement and governance in the school.

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.

Yorkshire Collaborative Academy Trust

Trustees' Report for the period from 2 July 2015 to 31 August 2016 (continued)

Financial Review

The majority of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. The grants received during the period ended 31st August 2016 and the associated expenditure are shown under restricted funds in the Statement of Financial Activities.

In this first period of operation, the Trust also received £481,472 from North Yorkshire County Council representing the surplus balances transferred on conversion. £469,164 is shown in unrestricted funds in the Statement of Financial Activities and the remaining £12,308 in restricted funds as this represents balances on specific grants relating to the HART Teaching School.

Assets transferred from the Local Authority at conversion included land and buildings valued at £2,406,000 for Bilton Grange School, £1,300,000 for Askwith School and £695,000 for Lothersdale School in addition to £26,122 relating to ICT equipment and licences.

YCAT also took on the local government pension scheme liability for its non teaching employees. Details are in note 22.

The net assets at the end of the year were £3,681,971.

Reserves Policy

The trustees will review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income and commitments and the nature of the reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The reserves policy is reviewed annually by the Trustees.

The trustees have determined that the level of free reserves should not fall below £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The level of free reserves at 31st August 2016 was £434,754. The trustees recognise this level is in excess of the target level and will review budgets and future plans to ensure the level of reserves is appropriate.

The balance on restricted general funds (excluded pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £4.9 million.

Investments Policy

The YCAT Trustees have agreed an Investments Policy which has the following key objectives:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the YCAT or individual Academy banks account becoming overdrawn.
- all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy.

Principal Risks and Uncertainties

The trustees have established a robust risk management process across the Trust. This has highlighted 4 major risks at this point:

Future funding levels

The main risk to the trust going forward is uncertainty about funding levels, with rising costs. The delay in implementation of a 'fairer funding formula' by the government is disappointing. Whilst it provides a higher level of certainty about funding levels in the short to medium term, it means that funding to our schools will remain well below the national average at least for the next two years. The trustees have put in place measures to reduce costs including review and renewal of key contracts for services. Trustees will continue to monitor financial performance to ensure the Trust remains in a strong financial position.

Yorkshire Collaborative Academy Trust

Trustees' Report for the period from 2 July 2015 to 31 August 2016 (continued)

Pension scheme deficit increase

The North Yorkshire Pension Fund is currently being revalued and contributions are expected to rise. The trust recognises the ongoing need to ensure we maintain a balanced budget. In addition to savings from contract reviews, the trustees have put in place robust medium term financial forecasting processes. This will ensure that future costs are identified and their impact is managed.

Failure to meet legal and statutory obligations

The trustees have also identified the risk from legal action if the trust fails to meet its legal obligations. This is mitigated by the following:

- establishment and implementation of appropriate policies
- ongoing review of any developments impacting schools
- support from specialists including health and safety, finance, legal and HR under service level agreements

Decline in results

A decline in results over a period of time could impact Ofsted ratings, the reputation of the Trust and its capacity to grow. Mitigating actions include:

- establishment of the School Improvement Leadership Group with a focus on continuous improvement in teaching and learning
- Prioritisation on key areas for development using school funding and the sponsor capacity grant received from the DfE

The Trusts significant financial instruments are cash at bank as well as the pension deficit. The cash balance is monitored against forecasts to ensure sufficient funds are available to meet liabilities when they fall due and are kept in an instant access bank account to manage the cash flow risk. The cash is exposed to credit risk as it is all held with Lloyds Bank, this is managed by considering which bank is used and monitoring by the Board for any market reports or other factors that may impact on the confidence in Lloyds. As noted above there is a significant deficit on the Local Authority defined benefit scheme, as this is a multi employer scheme the Trust does not have any control over the fund however it does monitor the position and information available and takes into account future contributions and increases to the rates as part of the budgeting process.

Plans for Future Periods

Our plans for the next year include focus on the three key elements of our strategy which are:

- Improving pupil outcomes
- YCAT growth and learning; and
- Financial and Commercial effectiveness

To improve pupil outcomes, key priorities have been agreed both at the school and trust level and are being implemented through the school development plans. Our growth in the coming year includes the planned conversion of two schools into YCAT, together with focused plans on development of leadership and succession planning. The focus under financial and commercial effectiveness is the renegotiation of contracts for services with the aim of achieving better value for money.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 board of trustees, as the company directors, on 14th December 2016 and signed on the board's behalf by:

I Moore
Chair of Trustees
14th December 2016



Yorkshire Collaborative Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Yorkshire 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 the Chief Executive Officer as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Yorkshire 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 4 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
Martin Ellison	3	3
Martin Bellamy	4	4
Roger Gook	2	2
Nigel Muttick	2	4
Ian Moore	4	4
Fiona Rogers	2	4
Don Parker (CEO)	4	4
Judith Ratcliffe	4	4
Jo Robinson	4	4

M Ellison resigned as trustee on 24th June 2016. I Moore was then elected chair on 4th July 2016.

The Trust completed the Financial Management and Governance Self Assessment questionnaire in Autumn 2015 and was selected for an audit of the responses in Spring 2017 by the National College for Teaching and Learning (NCTL). The NCTL audit included only one recommendation, which was to prepare an induction pack for new trustees. This will be in place when we recruit a new trustee for the first time. The Trust plans to carry out a further review of Governance in early 2017.

The Finance, Resources, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to carry out duties delegated by the main board in the areas of finance and commerce, including strategic management of risk. The Finance, Resources, Audit and Risk Committee met 3 times during the year. Attendance by committee members was as follows:

Don Parker (CEO)	3	3
Ian Moore	3	3
Martin Bellamy (Chair)	3	3
Nigel Muttick	3	3

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:

- Establishment of centralised systems and processes for finance across the Trust
- Implementation of robust web based purchase ordering and approval processes
- Review of a selection of services provided across the Trust and rationalisation where appropriate
- Trust-wide school improvement and CPD activities.

Yorkshire Collaborative Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Yorkshire Collaborative Academy Trust for the period 2nd July 2015 to 31 August 2016 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 2nd July 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the 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 appoint Veritau Ltd as internal auditor.

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

The internal auditor reports to the board of trustees annually through the Finance, Resources, Audit and Risk Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the first year, Veritau recommended a number of minor action, all of which have been or are being implemented.

Review of Effectiveness

As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

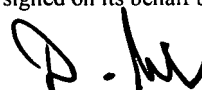
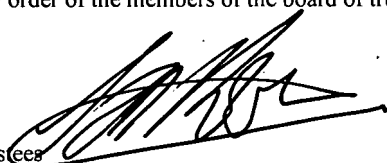
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources, Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14th December 2016 and signed on its behalf by:

I Moore

Chair of Trustees



D Parker

Accounting Officer

Yorkshire Collaborative Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Yorkshire Collaborative Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015 and 2014.

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 2015 and 2014.

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 EFA.



D Parker
Accounting officer
14th December 2016

Yorkshire Collaborative Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Yorkshire Collaborative Academy Trust and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 and 2014 to 2015;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

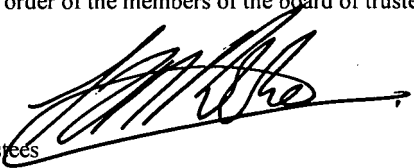
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the members of the board of trustees on 14th December 2016 and signed on their behalf by:

I Moore
Chair of Trustees



Yorkshire Collaborative Academy Trust

Independent Auditor's Report to the Members of Yorkshire Collaborative Academy Trust

We have audited the financial statements of Yorkshire Collaborative Academy Trust Limited for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Yorkshire Collaborative Academy Trust

Independent Auditor's Report to the Members of Yorkshire Collaborative Academy Trust (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2014 to 2015 and 2015 to 2016 issued by the Education Funding Agency.

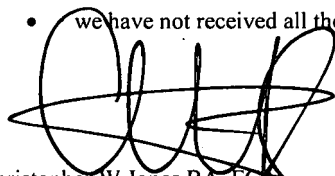
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Christopher W Jones BA, FCA
(Senior Statutory Auditor)

For and on behalf of

SAGARS ACCOUNTANTS LTD

Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

14th December 2016

Yorkshire Collaborative Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Yorkshire Collaborative Academy Trust Limited and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire Collaborative Academy Trust during the period 2nd July 2015 to 31 August 2016 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 Yorkshire Collaborative Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Yorkshire Collaborative Academy Trust and EFA 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 Yorkshire Collaborative Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Yorkshire Collaborative Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Yorkshire Collaborative Academy Trust's funding agreement with the Secretary of State for Education dated 23 July 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016 and 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 2 July 2015 to 31 August 2016 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 2014 to 2015 and 2015 to 2016 issued by EFA. 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 our conclusions includes:

- Review of the systems and assessment of the design and operational effectiveness of the internal controls
- Detailed testing based on our assessment of risk of income and expenditure
- Making appropriate enquires of the Accounting Officer


Yorkshire Collaborative Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Yorkshire Collaborative Academy Trust Limited and the Education Funding Agency (continued)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 2nd July 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- During the period there was no set policy for the authorising and processing of expenses, although the previous local authority policy was being used.



Reporting Accountant

SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

14th December 2016

Yorkshire Collaborative Academy Trust

Statement of Financial Activities

for the period from 2 July 2015 to 31 August 2016

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000
Income and endowments from:					
Donations and capital grants	2	6	-	48	54
Transfer from local authority on conversion	26	481	(774)	4,427	4,134
Charitable activities:					
Funding for the academy trust's educational operations	3	213	2,787	-	3,000
Other trading activities	4	15	-	-	15
Total		715	2,013	4,475	7,203
Expenditure on:					
Raising funds	5	2	-	-	2
Charitable activities:					
Academy trust educational operations	6	279	2,763	85	3,127
Total		281	2,763	85	3,129
Net income / (expenditure)		434	(750)	4,390	4,074
Transfers between funds		-	-	-	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	15,22	-	(392)	-	(392)
Net movement in funds		434	(1,142)	4,390	3,682
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		434	(1,142)	4,390	3,682

Yorkshire Collaborative Academy Trust

Balance Sheet

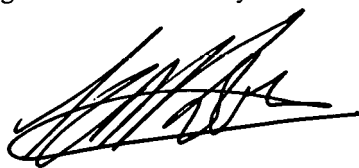
as at 31 August 2016

Company Number 09668526

	Notes	2016 £000	2016 £000
Fixed assets			
Intangible assets	11		10
Tangible assets	12		4,362
Current assets			
Debtors	13	190	
Cash at bank and in hand		697	
		<u>887</u>	
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(375)</u>	
Net current assets			<u>512</u>
Total assets less current liabilities			<u>4,884</u>
Creditors: Amounts falling due after more than one year			<u>-</u>
Net assets excluding pension liability			<u>4,884</u>
Defined benefit pension scheme liability	22		<u>(1,202)</u>
Total net assets			<u>3,682</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	15	4,390	
Restricted income fund	15	60	
Pension reserve	15	<u>(1,202)</u>	
Total restricted funds			<u>3,248</u>
Unrestricted income funds	15		<u>434</u>
Total funds			<u>3,682</u>

The financial statements on pages 18 to 41 were approved by the trustees and authorised for issue on 14th December 2016 and are signed on their behalf by

I Moore
Chair of Trustees



Yorkshire Collaborative Academy Trust

Statement of Cash Flows

for the period from 2 July 2015 to 31 August 2016

	Notes	2016 £000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	18	679
Cash flows from investing activities	19	18
Cash flows from financing activities		-
Change in cash and cash equivalents in the reporting period		<u>697</u>
Cash and cash equivalents at 2 July 2016		-
Cash and cash equivalents at 31 August 2016	20	<u>697</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

1 Statement of accounting policies

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 2014 to 2015 and 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Yorkshire 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.

- **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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

1 Statement of accounting policies (continued)

- **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.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Intangible Fixed Assets

Intangible assets costing £2,000 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:

- Purchased computer software 33.33%

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Long leasehold buildings 2%
- Furniture and equipment 20%
- Computer Equipment 33.33%

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.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Debtors

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Taxation

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

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

1 Statement of accounting policies (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 Education Funding Agency.

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.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

1 Statement of accounting policies (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for no consideration and have been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Bilton Grange Primary School, Lothersdale Primary School and Askwith Primary School to the academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set for Yorkshire Collaborative Academy Trust. The amount have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under Unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 26.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Capital grants	-	48	48
Donations	6	-	6
	<u>6</u>	<u>48</u>	<u>54</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
DfE / EFA grants			
. General Annual Grant (GAG)	-	2,148	2,148
. Universal Free School Meals	-	98	98
. Pupil Premium	-	84	84
. Sports Grant	-	26	26
. Start Up Grants	-	70	70
. Teaching School Grants	-	41	41
. Graduate Teacher Programme Funds	-	59	59
. Other DfE/EFA grants	-	25	25
	-	2,551	2,551
Other Government grants			
. Early Years Funding	-	45	45
. SEN Funding	-	25	25
. Teaching School Grants	-	9	9
. Graduate Teacher Programme Funds	-	119	119
. Other local authority grants	-	38	38
	-	236	236
Other income from the academy trust's educational operations	213	-	213
	213	2,787	3,000

4 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Rent Receivable	15		15
	15	-	15

5 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000
		Premises £000	Other £000	
Expenditure on raising funds	-	-	2	2
Academy's educational operations:				
Direct costs	1,925	71	240	2,236
Allocated support costs	235	168	488	891
	2,160	239	730	3,129

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the period includes:

	2016 £000
Operating lease rentals	1
Depreciation	80
(Gain)/loss on disposal of fixed assets	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	5
Fees payable to auditor for:	
- audit	8
- other services	-
	<hr/>

6 Charitable activities

	Total 2016 £000
Direct costs – educational operations	2,236
Support costs – educational operations	891
	<hr/>
	3,127

Analysis of support costs	Educational operations £000	Total 2016 £000
Support staff costs	235	235
Depreciation	9	9
Technology costs	26	26
Premises costs	159	159
Other support costs	440	440
Governance costs	22	22
Total support costs	<hr/>	<hr/>
	891	891

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

7 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £000
Wages and salaries	1,555
Social security costs	106
Operating costs of defined benefit pension schemes	322
	<hr/> 1,983
Supply staff costs	122
Staff restructuring costs	-
	<hr/> 2,105

b. Staff numbers

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

	2016 No.
Teachers	67
Administration and support	7
Management	6
	<hr/> 80

c. Higher paid staff

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

	2016 No.
£60,001 - £70,000	2

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £390,326 for the period ending 31st August 2016.

8 Central Services

The academy trust has provided the following central services to its academies during the year:

- School Improvement
- Finance
- HR
- Payroll
- ICT support for trust wide finance systems

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

8 Central Services (Continued)

The trust charges for these services on the basis of a flat rate per pupil. The actual amounts charged during the year were as follows:

	2016 £000
Bilton Grange Academy	28
Askwith Academy	11
Lothersdale Academy	9
	<hr/> 48 <hr/>

9 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.

The value of trustees’ remuneration and other benefits was as follows:

J Ratcliffe (Headteacher and trustee):

Remuneration £60,000 - £65,000 (£65,000 - £70,000 in the accounting period)

Employer’s pension contributions paid £10,000 - £15,000 (£10,000 – £15,000 in the accounting period)

J Robinson (Headteacher and trustee):

Remuneration £55,000 - £60,000 (£60,000 - £65,000 in the accounting period)

Employer’s pension contributions paid £5,000 - £10,000 (£5,000 - £10,000 in the accounting period)

D Parker (Headteacher and trustee):

Remuneration £60,000 - £65,000 (£65,000 - £70,000 in the accounting period)

Employer’s pension contributions paid £10,000 - £15,000 (£10,000 - £15,000 in the accounting period)

During the period ended 31 August 2016, travel and subsistence expenses totalling £3,496 were reimbursed or paid directly to 3 trustees.

Other related party transactions involving the trustees are set out in note 23.

10 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 omission 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.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

11 Intangible fixed assets

	Computer Software £000	Total £000
Cost		
At 2 July 2015	-	-
Transferred on conversion	15	15
At 31 August 2016	15	15
Amortisation		
At 2 July 2015	-	-
Charged in year	5	5
At 31 August 2016	5	5
Carrying amount		
At 2 July 2015	-	-
At 31 August 2016	10	10

12 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost				
At 2 July 2015	-	-	-	-
Transferred on conversion	4,401	-	11	4,412
Additions	-	30	-	30
Disposals	-	-	-	-
At 31 August 2016	4,401	30	11	4,442
Depreciation				
At 2 July 2015	-	-	-	-
Charged in year	71	5	4	80
Disposals	-	-	-	-
At 31 August 2016	71	5	4	80
Net book values				
At 2 July 2015	-	-	-	-
At 31 August 2016	4,330	25	7	4,362

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

13 Debtors

	2016 £000
Trade debtors	24
VAT recoverable	126
Prepayments and accrued income	40
	<u>190</u>

14 Creditors: amounts falling due within one year

	2016 £000
Trade creditors	136
Other taxation and social security	32
Other creditors	32
Accruals and deferred income	175
	<u>375</u>

	2016 £000
Deferred income	
Deferred income at 2 July 2015	-
Released from previous years	-
Resources deferred in the year	127
Deferred Income at 31 August 2016	<u>127</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals, teaching alliance membership income and sponsor grant that has been deferred to the next accounting period.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

15 Funds

	Balance at 2 July 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,148	(2,148)	-	-
Start Up Grant	-	70	(70)	-	-
Pupil Premium	-	84	(84)	-	-
Teaching School	-	50	(50)	-	-
SCITT	-	178	(175)	-	3
Other grants	-	257	(200)	-	57
Pension reserve	-	(774)	(36)	(392)	(1,202)
	-	2,013	(2,763)	(392)	(1,142)
Restricted fixed asset funds					
Transfer on conversion	-	4,427	(80)	-	4,347
DfE/EFA capital grants	-	18	-	-	18
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	30	(5)	-	25
	-	4,475	(85)	-	4,390
Total restricted funds	-	6,488	(2,848)	(392)	3,248
Total unrestricted funds	-	715	(281)	-	434
Total funds	-	7,203	(3,129)	(392)	3,682

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 academies. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2016.

The other grants restricted balance carried forward relates to unspent funding received to assist with the set-up of Hawes conversion which will be used in the next financial period.

Funding for the Teaching School and SCITT are funding for the teaching school and teacher training, relevant expenditure is allocated against this income.

Restricted Fixed Asset funds are resources which are to be applied to specific capital purposes.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000
Bilton Grange Academy	80
Askwith Academy (Includes the Teaching School and SCITT)	180
Lothersdale Academy	82
Central services	<u>152</u>
Total before fixed assets and pension reserve	494
Restricted fixed asset fund	4,390
Pension reserve	<u>(1,202)</u>
Total	<u>3,682</u>

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000
Bilton Grange Academy	1,044	74	62	351	1,531
Askwith Academy	487	81	23	282	873
Lothersdale Academy	355	26	30	130	541
Central services	-	39	4	56	65
Academy Trust	<u>1,886</u>	<u>220</u>	<u>119</u>	<u>819</u>	<u>3,044</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	10	10
Tangible fixed assets	-	-	4,362	4,362
Current assets	809	60	18	887
Current liabilities	(375)	-	-	(375)
Pension scheme liability	-	(1,202)	-	(1,202)
Total net assets	434	(1,142)	4,390	3,682

17 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000
Amounts due within one year	-
Amounts due between one and five years	10
Amounts due after five years	-
	<u>10</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	4,074
Adjusted for:	
Amortisation (note 11)	5
Depreciation (note 12)	80
Transfer of fixed assets on conversion	(4,427)
Capital grants from DfE and other capital income	(48)
Defined benefit pension scheme obligation inherited	774
Defined benefit pension scheme cost less contributions payable (note 22)	7
Defined benefit pension scheme finance cost (note 22)	29
(Increase)/decrease in debtors	(190)
Increase/(decrease) in creditors	375
Net cash provided by / (used in) Operating Activities	679

19 Cash flows from investing activities

	2016 £000
Dividends, interest and rents from investments	-
Proceeds from sale of tangible fixed assets	-
Purchase of intangible fixed assets	-
Purchase of tangible fixed assets	(30)
Capital grants from DfE/EFA	18
Capital funding received from sponsors and others	30
Net cash provided by / (used in) investing activities	18

20 Analysis of cash and cash equivalents

	At 31 August 2016 £000
Cash in hand and at bank	697
Total cash and cash equivalents	697

21 Members liability

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

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

22 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 North Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employee who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. Contributions amounting to £32,459 were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £172,743.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £137,000, of which employer's contributions totalled £111,000 and employees' contributions totalled £26,000. The agreed contribution rates for future years are 17.2% per cent for employers and 5.5-6.5% 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

At 31 August 2016

Rate of increase in salaries	3.4%
Rate of increase for pensions in payment/inflation	1.9%
Discount rate for scheme liabilities	2%
Inflation assumption (CPI)	1.9%

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

At 31 August 2016

<i>Retiring today</i>	
Males	23.3
Females	25.8
<i>Retiring in 20 years</i>	
Males	25.6
Females	28.1

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016 (continued)

22 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000
Equity instruments	105
Government bonds	25
Corporate bonds	8
Cash	(1)
Other	16
Property	15
Total market value of assets	168

The actual return on scheme assets was £12,000

Amount recognised in the statement of financial activities

	2016 £000
Current service cost (net of employee contributions)	(118)
Net interest cost	(29)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-
Total operating charge	(147)

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

	2016 £000
At 2 July	-
Upon conversion	796
Current service cost	118
Interest cost	32
Employee contributions	26
Actuarial (gain)/loss	401
Benefits paid	(3)
At 31 August	1,370

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

	2016 £000
At 2 July	-
Upon conversion	22
Interest income	3
Actuarial gain/(loss)	9
Employer contributions	111
Employee contributions	26
Benefits paid	(3)
At 31 August	168

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

23 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

- The trust spent £4,448 during the period on consultancy services for tutor support provided by J Holliday, who was a member of YCAT. There were no amounts outstanding at 31 August 2016.
- The trust made the purchase at arms' length and in accordance with its financial regulations, which Mrs Holliday neither participated in, nor influenced
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2014 and 2015.

In addition to the above transactions, remuneration in the range of £10-£15,000 was paid in the period to a close family member of a Trustee for services of employment and remuneration in the range of £15,000 - £20,000 was paid to 2 close family members of 2 Trustees for services of employment. The employment contracts pre date the conversion of the schools to academies. Expenses of £212 were also paid to 2 of these related parties.

Apart from the above no related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

24 Events after the end of the reporting period

On 1st October 2016 Hawes Primary school converted to an academy and joined Yorkshire Collaborative Academy Trust.

25 Financial Instruments

	2016
	£000
Financial assets measured at amortised cost	<u>846</u>
Financial liabilities measured at amortised cost	<u>343</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the period from 2 July 2015 to 31 August 2016

(continued)

26 Conversion to an Academy Trust

On 1st August 2015 Bilton Grange, Askwith and Lothersdale Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Yorkshire Collaborative Academy Trust from North Yorkshire County Council for £nil consideration. The land and buildings transferred to YCAT under a long lease of 125 years with a peppercorn rent of £nil.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
. Leasehold land and buildings Bilton	-	-	2,406	2,406
. Leasehold land and buildings Askwith	-	-	1,300	1,300
. Leasehold land and buildings Lothersdale	-	-	695	695
. Other tangible fixed assets	-	-	26	26
			4,427	4,427
 Budget surplus on LA funds Bilton	57	-	-	57
Budget surplus on LA funds Askwith	309	-	-	309
Budget surplus on LA funds Lothersdale	115	-	-	115
LGPS pension (deficit)	-	(774)	-	(774)
Net assets	481	(774)	4,427	4,134