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Yorkshire Collaborative Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2017

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 (resigned 3rd August 2017)
S Root
L Pugh
N Simpson
P Laurence

Trustees

I Moore
R Gook
M Bellamy
N Muttick
F Rogers (resigned 26th September 2016)
D Parker (CEO)
J Baynes (appointed 5th July 2017)
J Ratcliffe (resigned 20th March 2017)
J Robinson (Headteacher trustee)

Senior Management Team:

CEO

D Parker

CFO

J O'Gara

Lead of Governance and Clerk to Trustees

F Carr

School Improvement Leadership Group

J Ratcliffe
J Robinson
R Street
E Nayler
H Vasey
S Beveridge
L Hall

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 Paul's Street
Leeds
LS1 2JG

Bankers:

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

Solicitors

Stone King LLP
1 Aire St
Leeds
LS1 4PR

Yorkshire Collaborative Academy Trust

Chairman's Statement

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

Our second year of operation as a multi academy trust has focused on embedding finance and school improvement systems and on welcoming two new schools to our trust: Hawes Primary school joined us as sponsored conversion in October 2016 and Leyburn Primary joined as a convertor academy in May 2017.

We are establishing consistent operational models across the trust to ensure our provision has the maximum impact on children's outcomes.

Strong governance and good communication are vital in ensuring we find the best ways to meet the needs of all the children in our trust. During the year, we appointed a Lead of Governance and Compliance to focus on implementing our accountabilities framework and to support members, trustees and each local governing body, co-ordinating cross trust initiatives and training.

We look forward to the coming year, confident that we have now built a resilient and successful trust and are well placed for our plans to grow the trust.

Chief Executive Officer's Review of the Year

This has been an exciting year for YCAT. The conversions of Hawes and Leyburn into our trust have gone very smoothly and they are now an integral part of our team. Attainment continues to strengthen and we are pleased with the improvement in performance at Hawes.

Our focus, as always, is on continuously improving educational outcomes for our pupils. The School Improvement Leadership Group identified key areas at the start of the year and we have trialled and successfully implemented new teaching strategies in key areas particularly maths and reading.

We are particularly proud of our School Centred Initial Teacher Training (SCITT) programme. This was our second year as a SCITT. With current national recruitment difficulties into the profession, we recognise the importance of developing new teachers, particularly in rural areas. During the year, 11 students completed the ITT training with over 50% achieving an outstanding grade. All students moved straight into teaching jobs in September 17 with 40% now working in rural North Yorkshire schools.

Staff at all levels in the trust work together and we hold regular cross trust meetings and training. We recognise that our staff are our greatest asset and we are currently developing our support to staff, including health and wellbeing in addition to focused professional development. I would like to thank our staff, governors and trustees for all their hard work and support during the year.

Yorkshire Collaborative Academy Trust

Trustees' Report for the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 5 academies for pupils aged 3 to 11 in the North Yorkshire area. The trust had 890 pupils on roll following the conversion of Leyburn in May 2017.

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 within the schools and local communities and through external support agencies including Academy Ambassadors. 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 and developed by our Lead of Governance appointed in June 2017. 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 year ended 31 August 2017 (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 about 50 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 second year of operation were to:

- Embed robust structures and processes for operation of the multi academy trust;
- Successfully integrate the two new schools into the trust;
- Embed the strong, collaborative approach to school improvement; and establish consistent operational models across the trust
- Further develop governance systems and structures to meet the needs of the trust as we grow.

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 our structured, cross school approach to school improvement is now embedded. 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. Leyburn Primary School formally joined YCAT as a convertor school in May 2017 although had been working closely with YCAT on school improvement for several months prior to the official conversion.

We have introduced a new central trust role of Lead of Governance and Compliance. This has allowed us to further develop clarity in governance roles and a strong support framework for all our governors, trustees and members.

Yorkshire Collaborative Academy Trust

Trustees' Report for the year ended 31 August 2017 (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 all pupils.

Strategic Report

Achievements and Performance

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

Key Performance Indicators

Performance of schools at the end of KS2 in 2017 continues to strengthen academic achievement. Hawes Primary School has made strong progress in the key areas of school improvement. The main challenge for trustees is to continue to improve the progress of pupils from high attaining starting points.

TABLE OF RESULTS –End of KS2 Results 2017 (Achieving expected standards)

	Reading/Writing/Maths combined Expected Standard %	Reading Expected Standard %	Writing Expected Standard %	Maths Expected Standard %	English, Grammar, Punctuation and Spelling %
Askwith	93	93	100	100	100
Bilton	68	85	88	73	83
Hawes	50	71	64	64	71
Leyburn	63	73	90	67	77
Lothersdale	92	100	92	100	100
National Average	61	71	76	75	77

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 year ended 31 August 2017 (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 2017 and the associated expenditure are shown under restricted funds in the Statement of Financial Activities.

In this year, the Trust also received £180,798 from North Yorkshire County Council representing the surplus balances transferred on conversion for the two new schools. This is shown as unrestricted funds in the Statement of Financial Activities.

Assets transferred from the Local Authority at conversion included land and buildings valued at £1,490,560 for Hawes School and £2,745,853 for Leyburn School

The pension deficit for the Local Government Pension Scheme has increased due to the introduction of the new schools and a revaluation by the actuary. At 31 August 2017 our pension deficit was £1,436,000.

The net assets at the end of the year were £9,029,469.

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 2017 was £473,000. 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.

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, commanding broad public support.

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 implementation of the National Funding Formula is welcome. However, the transitional implementation means that funding to our schools will remain well below the national average at least for the next two years. Additionally, pressure within North Yorkshire and nationally on high needs funding has meant that the costs of supporting pupils with additional needs is significantly higher than the funding received. This underfunding is set to continue, resulting in overall pressure on the school budgets, particularly at Bilton Grange school.

The trustees have put in place measures to reduce costs including review and renewal of key contracts for services. The Trustees have also been actively lobbying NYCC for a more realistic level of funding to support pupils with special educational needs. 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 year ended 31 August 2017 (continued)

Pension scheme deficit increase

The North Yorkshire Pension Fund has been revalued and contributions have risen. 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
- Introduction of a new central role focused on governance and compliance

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 MAT development grant received from the DfE

Plans for Future Periods

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

- Improving pupil outcomes
- YCAT growth and further developing our trust-wide learning community
- Financial and Commercial effectiveness
- Developing strong leadership and governance
- Developing our employees

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 a school 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.

Work is ongoing to further strengthen governance at all levels including embedding new processes and training. Our employees are key to the success of the trust. With changes in curriculum and increased budget constraints, we recognise the pressure our staff are under. Health and wellbeing is a key priority for our coming year.

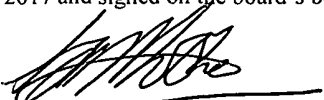
Auditor

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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13th December 2017 and signed on the board's behalf by:

I Moore
Chair of Trustees
13th December 2017



Yorkshire Collaborative Academy Trust

Trustees' Report for the year ended 31 August 2017 (continued)

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
Ian Moore	5	5
Martin Bellamy	3	5
Roger Gook	5	5
Nigel Muttick	1	5
Don Parker (CEO)	5	5
Judith Ratcliffe	2	4
Jo Robinson	5	5

F Rogers resigned as trustee on 26th Sept 2016 and J Ratcliffe resigned as a trustee on 20th April 2017.

The Trust completed the Financial Management and Governance Self Assessment questionnaires for Hawes and Leyburn during the year.

Yorkshire Collaborative Academy Trust

Governance Statement (continued)

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	2	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 a centralised role for Estates Management and review of premises related contracts resulting in identifying savings to be implemented from 2017/18.
- Review of governance resulting in reductions in the level of local governing body meetings with savings in clerking support.
- Regular procurement review for consumables such as ink toners, paper and hygiene items, resulting in sourcing better value purchasing across the Trust
- Reprourement of photocopying contracts using the Crescent Purchasing Consortium, resulting in savings

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 year to 31 August 2017 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 year to 31st August 2017 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, Resources, Audit and Risk 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

Yorkshire Collaborative Academy Trust

Governance Statement (continued)

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:

- testing of income systems
- testing of HR procedures

Veritau Ltd have fully delivered the schedule of work as planned. Both reports concluded "substantial assurance" on the areas tested and no material controls issues were identified.

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.

The scope of the internal auditor's work is agreed by the Finance, Resources, Audit and Risk committee and is informed by a risk based review of key financial areas and by any changes to processes.

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:

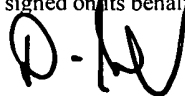
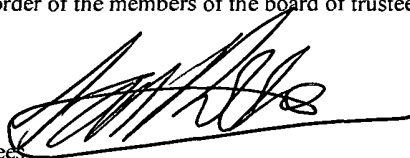
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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 13th December 2017 and signed on its behalf by:

I Moore

Chair of Trustees



D Parker

Accounting Officer

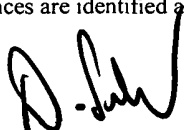
Yorkshire Collaborative Academy Trust

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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.



D Parker
Accounting Officer
13th December 2017

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 2016 to 2017;
- 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 and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 13th December 2017 and signed on their behalf by:


I Moore
Chair of Trustees

Independent Auditor's Report to the Members of Yorkshire Collaborative Academy Trust for the year ended 31st August 2017

Opinion

We have audited the financial statements of Yorkshire Collaborative Academy Trust (the 'academy trust') for the year ended 31st August 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Yorkshire Collaborative Academy Trust for the year ended 31st August 2017 (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 trust'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 trust 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.

S. Seaman

Susan Seaman BA, FCA, CIOT (Senior Statutory Auditor)

For and on behalf of

SAGARS ACCOUNTANTS LTD

Chartered Accountants & Statutory Auditor

13th December 2017

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

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 14 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 year 1 September 2016 to 31 August 2017 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 ESFA 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 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 Yorkshire Collaborative Academy Trust and ESFA, 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 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 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 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 nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

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

13th December 2017

Yorkshire Collaborative Academy Trust

Statement of Financial Activities

For the year ended 31 August 2017

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total for period to 31 August 2016
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	15	-	23	38	54
Transfer from local authority on conversion	26	181	(538)	4,236	3,879	4,134
Charitable activities:						
Funding for the academy trust's educational operations	3	263	3,193	-	3,456	3,000
Other trading activities	4	14	-	-	14	15
Total		473	2,655	4,259	7,387	7,203
Expenditure on:						
Raising funds	5	-	-	-	-	2
Charitable activities:						
Academy trust educational operations	5	434	3,335	114	3,883	3,127
Other		-	-	-	-	-
Total		434	3,335	114	3,883	3,129
Net income / (expenditure)		39	(680)	4,145	3,504	4,074
Transfers between funds		-	-	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	15,22	-	406	-	406	(392)
Net movement in funds		39	(274)	4,145	3,910	3,682
Reconciliation of funds						
Total funds brought forward		434	(1,142)	4,390	3,682	-
Total funds carried forward		473	(1,416)	8,535	7,592	3,682

Yorkshire Collaborative Academy Trust

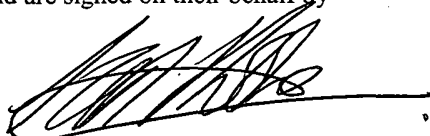
Balance Sheet

as at 31 August 2017

Company Number 09668526

		2017	2017	2016	2016
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	11		5		10
Tangible assets	12		8,500		4,362
Current assets					
Debtors	13	119		190	
Cash at bank and in hand		848		697	
		<u>967</u>		<u>887</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(444)</u>		<u>(375)</u>	
Net current assets			<u>523</u>		<u>512</u>
Total assets less current liabilities			<u>9,028</u>		<u>4,884</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>9,028</u>		<u>4,884</u>
Defined benefit pension scheme liability	22		<u>(1,436)</u>		<u>(1,202)</u>
Total assets			<u>7,592</u>		<u>3,682</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	8,535		4,390	
Restricted income fund	15	20		60	
Pension reserve	15	<u>(1,436)</u>		<u>(1,202)</u>	
Total restricted funds			<u>7,119</u>		<u>3,248</u>
Unrestricted income funds	15		<u>473</u>		<u>434</u>
Total funds			<u>7,592</u>		<u>3,682</u>

The financial statements on pages 18 to 42 were approved by the trustees and authorised for issue on 13th December 2017 and are signed on their behalf by


I Moore
Chair of Trustees

Yorkshire Collaborative Academy Trust
Statement of Cash Flows
for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	139	679
Cash flows from investing activities	19	12	18
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		151	697
Cash and cash equivalents at 1 September 2016		697	-
Cash and cash equivalents at the 31 August 2017	20	848	697

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017

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 2016 to 2017 issued by ESFA, 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 in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (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'.

- **Transfer on conversion**

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

- **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. 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 year ended 31 August 2017 (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 year ended 31 August 2017 (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.

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 13. 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 14. 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.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

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.

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 and Skills 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 year ended 31 August 2017 (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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from Hawes Primary School and Leyburn Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent item. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amounts recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed assets funds. Further details of the transaction are set out in note 26.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total for 13 month period to 31 August 2016 £000
Capital Grants	-	23	23	48
Donations	15	-	15	6
	<u>15</u>	<u>23</u>	<u>38</u>	<u>54</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total for 13 month period to 31 August 2016 £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	2,549	2,549	2,148
. Universal Free School Meals	-	111	111	98
. Pupil Premium	-	97	97	84
. Sports Grant	-	30	30	26
. Start Up Grants	-	-	-	70
. Teaching School Grants	-	40	40	41
. Graduate Teacher Programme Funds	-	15	15	59
. Other DfE/EFA grants	-	92	92	25
	<u>-</u>	<u>2,934</u>	<u>2,934</u>	<u>2,551</u>
Other Government grants				
. Early years funding	-	64	64	45
. SEN Funding	-	61	61	25
. Teaching School Grants	-	-	-	9
. Graduate Teacher Programme Funds	-	110	110	119
. Other local authority grants	-	24	24	38
	<u>-</u>	<u>259</u>	<u>259</u>	<u>236</u>
Other income from the academy trust's educational operations	263	-	263	213
	<u>263</u>	<u>3,193</u>	<u>3,456</u>	<u>3,000</u>

4 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total for 13 month period to 31 August 2016 £000
Rent Receivable	14	-	14	15
	<u>14</u>	<u>-</u>	<u>14</u>	<u>15</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

5 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total for 13 month period to 31 August 2016
		Premises	Other	2017	31 August 2016
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-	2
Academy's educational operations:					
- Direct costs	2,406	-	252	2,658	2,236
- Allocated support costs	332	246	647	1,225	891
	2,738	246	899	3,883	3,129

Net income/(expenditure) for the period includes:

	2017	13 month period to 31 August 2016
	£000	£000
Operating lease rentals	5	1
Depreciation	109	80
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	5	5
Fees payable to auditor for:		
- audit	8	8
- other services	-	-

6 Charitable activities

	2017	13 month period to 31 August 2016
	£000	£000
Direct costs – educational operations	2,658	2,236
Support costs – educational operations	1,225	891
	3,883	3,127

Analysis of support costs

	Educational operations	Total	13 month period to 31 August 2016
	£000	£000	£000
Support staff costs	332	332	235
Depreciation	114	114	9
Technology costs	38	38	26
Premises costs	246	246	159
Other support costs	469	469	440
Governance costs	26	26	22
Total support costs	1,225	1,225	891

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:	Total	Total
	2017	2016
	£000	£000
Wages and salaries	1,914	1,555
Social security costs	157	106
Operating costs of defined benefit pension schemes	456	322
	<u>2,527</u>	<u>1,983</u>
Supply staff costs	168	122
Staff restructuring costs	-	-
	<u>2,695</u>	<u>2,105</u>

b. Non statutory/non contractual staff severance payments

Included in staff costs there was one non-statutory severance payment totalling £5,500 (2016: £nil).

c. Staff numbers

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

	2017	2016
	No.	No.
Teachers	79	67
Administration and support	18	7
Management	7	6
	<u>104</u>	<u>80</u>

d. Higher paid staff –

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

	2017	2016
	No.	No.
£60,001 - £70,000	<u>2</u>	<u>2</u>

e. 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 £502,650 (2016: £390,326) for the period ending 31st August 2017.

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

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

The trust charges for these services on the basis of 3.5% of GAG and Early Years Funding. The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Bilton Grange Academy	39	28
Askwith Academy	22	11
Lothersdale Academy	15	9
Hawes	14	-
Leyburn	9	-
	99	48

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 £70,000 - £75,000 (2016: £65,000 - £70,000 in the 13-month accounting period)

Employer's pension contributions paid (2016: £10,000 - £15,000 in the 13-month accounting period)

J Robinson (Headteacher and trustee):

Remuneration £60,000 - £65,000 (2016: £60,000 - £65,000 in the 13-month accounting period)

Employer's pension contributions paid £5,000 - £10,000 (2016: £5,000 - £10,000 in the 13-month accounting period)

D Parker (Headteacher and trustee):

Remuneration £70,000 - £75,000 (2016: £65,000 - £70,000 in the 13-month accounting period)

Employer's pension contributions paid £10,000 - £15,000 (2016: £10,000 - £15,000 in the 13-month accounting period)

During the period ended 31 August 2017, travel and subsistence expenses totalling £2,497 (2016: £3,496 were reimbursed or paid directly to 3 trustees) 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 year ended 31 August 2017 (continued)

11 Intangible fixed assets

	Computer Software £000	Total £000
Cost		
At 1 September 2016	15	15
Additions	-	-
At 31 August 2017	15	15
Amortisation		
At 1 September 2016	5	5
Charged in year	5	5
At 31 August 2017	10	10
Carrying amount		
At 31 August 2016	10	10
At 31 August 2017	5	5

12 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2016	-	4,401	30	11	-	4,442
Transferred on conversion	-	4,236	-	-	-	4,236
Additions	-	3	-	8	-	11
Disposals	-	-	-	-	-	-
At 31 August 2017	-	8,640	30	19	-	8,689
Depreciation						
At 1 September 2016	-	71	5	4	-	80
Charged in year	-	97	6	6	-	109
Disposals	-	-	-	-	-	-
At 31 August 2017	-	168	11	10	-	189
Net book values						
At 31 August 2016	-	4,330	25	7	-	4,362
At 31 August 2017	-	8,472	19	9	-	8,500

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

13 Debtors

	2017	2016
	£000	£000
Trade debtors	8	24
VAT recoverable	43	126
Other debtors	-	-
Prepayments and accrued income	68	40
	<u>119</u>	<u>190</u>

14 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	137	136
Other taxation and social security	46	32
Other creditors	53	32
Accruals and deferred income	208	175
	<u>444</u>	<u>375</u>

Deferred income

	2017	2016
	£000	£000
Deferred income at 1 September 2016	127	-
Released from previous years	(127)	-
Resources deferred in the year	123	127
Deferred Income at 31 August 2017	<u>123</u>	<u>127</u>

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

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

15 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,549	(2,549)	-	-
Pupil Premium	-	97	(97)	-	-
Teaching School	-	39	(39)	-	-
SCITT	3	125	(124)	-	4
Other grants	57	383	(424)	-	16
Pension reserve	(1,202)	(538)	(102)	406	(1,436)
	(1,142)	2,655	(3,335)	406	(1,416)
Restricted fixed asset funds					
Transfer on conversion	4,347	4,236	(106)	-	8,477
DfE/EFA capital grants	18	23	(2)	-	39
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	25	-	(6)	-	19
	4,390	4,259	(114)	-	8,535
Total restricted funds	3,248	6,914	(3,449)	406	7,119
Total unrestricted funds	434	473	(434)	-	473
Total funds	3,682	7,387	(3,883)	406	7,592

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 2017.

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 year ended 31 August 2017 (continued)

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Bilton Grange Academy	14	80
Askwith Academy (Includes the Teaching School and SCITT)	127	180
Lothersdale Academy	83	82
Hawes	48	-
Leyburn	103	-
Central services	118	152
Total before fixed assets and pension reserve	493	494
Restricted fixed asset fund	8,535	4,390
Pension reserve	(1,436)	(1,202)
Total	7,592	3,682

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £000	Total 2016 £000
Bilton Grange Academy	1,019	73	88	278	1,458	1,531
Askwith Academy	462	83	43	221	809	873
Lothersdale Academy	344	26	47	113	530	541
Hawes	284	46	37	80	447	-
Leyburn	189	27	15	53	284	-
Central services	-	143	-	98	242	65
Academy Trust	2,298	398	230	843	3,769	3,044

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2017	2016
	£000	£000	£000	Total Funds £000	Total Funds £000
Intangible fixed assets	-	-	5	5	10
Tangible fixed assets	-	-	8,500	8,500	4,362
Current assets	934	20	13	967	887
Current liabilities	(444)	-	-	(444)	(375)
Pension scheme liability	-	(1,436)	-	(1,436)	(1,202)
Total net assets	490	(1,416)	8,518	7,592	3,682

17 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	3	-
Amounts due between one and five years	5	10
Amounts due after five years	-	-
	8	10

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

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

	2017 £000	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,504	4,074
Adjusted for:		
Amortisation (note 11)	5	5
Depreciation (note 12)	109	80
Transfer of fixed assets on conversion	(4,236)	(4,427)
Capital grants from DfE and other capital income	(23)	(48)
Defined benefit pension scheme obligation inherited	538	774
Defined benefit pension scheme cost less contributions payable (note 22)	74	7
Defined benefit pension scheme finance cost (note 22)	28	29
(Increase)/decrease in debtors	71	(190)
Increase/(decrease) in creditors	69	375
Net cash provided by / (used in) Operating Activities	139	678

19 Cash flows from investing activities

	2017 £000	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	(11)	(30)
Capital grants from DfE/EFA	23	18
Capital funding received from sponsors and others	-	30
Net cash provided by / (used in) investing activities	12	18

20 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	848	697
Total cash and cash equivalents	848	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 year ended 31 August 2017 (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 employees 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 £53,359 (2016 - £32,459) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (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 year ended 31 August 2017 (continued)

22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £205,710 (2016 - £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 year ended 31 August 2017 was £175,000 (2016: £137,000), of which employer's contributions totalled £142,000 (2016: £111,000) and employees' contributions totalled £33,000 (2016: £26,000). The agreed contribution rates for future years are 24.8% 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 2017	At 31 August 2016
Rate of increase in salaries	3.25%	3.40%
Rate of increase for pensions in payment/inflation	2.00%	1.90%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	1.90%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.8	23.3
Females	26.3	25.8
<i>Retiring in 20 years</i>		
Males	25.0	25.6
Females	28.6	28.1

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

22 Pension and similar obligations (continued)

Sensitivity Analysis	At 31 August 2017	At 31 August 2016
	£'000	£'000
Discount rate +0.1%	2.181	1.337
Discount rate -0.1%	2.290	1.404
Mortality assumption - 1 year increase	2.301	1.413
Mortality assumption - 1 year decrease	2.169	1.328
CPI rate +0.1%	2.257	1.385
CPI rate -0.1%	2.214	1.355

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equity instruments	530	105
Government bonds	102	25
Corporate bonds	24	8
Cash	4	(1)
Other	74	16
Property	65	15
Total market value of assets	799	168

The actual return on scheme assets was £41,000 (2016: £12,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(216)	(118)
Net interest cost	(28)	(29)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(244)	(147)

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

22 Pension and similar obligations (continued)

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

	2017 £'000	2016 £'000
At 1 September	1,370	-
Conversion of academy trusts	957	796
Current service cost	216	118
Interest cost	37	32
Employee contributions	33	26
Actuarial (gain)/loss	(374)	401
Benefits paid	(4)	(3)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	2,235	1,370

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

	2017 £'000	2016 £'000
At 1 September	168	-
Upon conversion	419	22
Interest income	9	3
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	32	9
Employer contributions	142	111
Employee contributions	33	26
Benefits paid	(4)	(3)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	799	168

	2017 £'000	2016 £'000
Defined benefit obligations	(2,235)	(1,370)
Fair value of academy's share of scheme assets	799	168
Net defined benefit pension scheme liability	(1,436)	(1,202)

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (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.

During the year, 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 a close family member of a Trustee for services of employment. The employment contracts pre date the conversion of the schools to academies. Expenses of £58 were also paid to one 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

There are no events after the end of the financial year that require reporting.

25 Financial Instruments

	2017 £000	2016 £000
Financial assets measured at amortised cost	<u>899</u>	<u>846</u>
Financial liabilities measured at amortised cost	<u>398</u>	<u>343</u>

Yorkshire Collaborative Academy Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

26 Conversion to an Academy Trust

On 1st October 2016 Hawes Primary School converted to academy status & on 1st May 2017 Leyburn 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	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings Hawes			1,491	1,491
Leasehold land and buildings Leyburn			2,745	2,745
	-	-	4,236	4,236
Budget surplus on LA funds - Hawes	40	-	-	40
Budget surplus on LA funds - Leyburn	141	-	-	141
LGPS pension surplus / (deficit)	-	(538)	-	(538)
Net assets / (liabilities)	181	(538)	4,236	3,879