

# Hull Collaborative Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

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

 **Forrester Boyd Robson**  
Chartered Accountants



**Praxity**  
ASSOCIATE  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS



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## Hull Collaborative Academy Trust

### Reference and Administrative Details

#### Members

Mrs L Keating  
Ms K J Dawson (resigned 22 January 2017)  
Mr N Richardson  
Mr J Simpson  
Mr A Storr (appointed 5 April 2017)

#### Trustees (Directors)

Mr G D Wilson, (\*) (Chair) (National Leader of Governance)  
Ms K J Dawson (resigned 22 January 2017)  
Ms L Keating (resigned 5 April 2017)  
Ms D M Sharpe, (\*) (resigned 29 March 2017)  
Mrs K Beal, (\*) (resigned 4 October 2016)  
Mrs E M Macdonald OBE, (\*)  
Mrs M J Milner, (\*) (resigned 4 October 2016)  
Mrs C Mudd, (\*) (resigned 4 October 2016)  
Mr A S Kingston  
Mrs K A Sowerby (resigned 5 January 2017)  
Mr A Storr (resigned 5 April 2017)  
Mrs E A Wilson, (\*) (National Leader of Governance)  
Mrs C Yates, (\*)  
Mr M Mathias  
Mr M Whitaker  
Mrs C Hindson (appointed 15 June 2017)  
Mr C J Huscroft (appointed 5 October 2017)  
Ms G Simpson (appointed 5 October 2017)  
Mr A S Barber (appointed 4 December 2017)

(\*) members of the finance and general purposes committee



## Hull Collaborative Academy Trust

### Reference and Administrative Details (continued)

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



## Hull Collaborative Academy Trust

### Trustees' Report for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

#### **Structure, governance and management**

##### ***Constitution***

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

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

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

##### ***Members' liability***

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

##### ***Trustees' indemnities***

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

##### ***Method of recruitment and appointment or election of Trustees***

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

The members may appoint up to 18 Trustees.

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

The CEO shall be treated for all purposes as being an ex officio Trustee.

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

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

The Trust has adopted a new governance structure and Articles of Association (25/05/2017) on the recommendation of guidance from the Regional Schools Commissioner and in line with the latest Academies Financial Handbook.



## Trustees' Report for the Year Ended 31 August 2017 (continued)

### ***Policies and procedures adopted for the induction and training of Trustees***

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

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

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

### ***Organisational structure***

There are three layers of governance: -

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

As the Trust has evolved in 2015/16 and to ensure that the committees are fit for purpose the Trustees have operated four new committees for 2016/17. These committees have Trustees and representatives of local governing bodies ( with appropriate skills) as voting members.

- Business Development
- Finance
- Audit
- Operations

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

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

- To make decisions in relation to centrally employed staff pay, in accordance with the agreed Pay Policy.
- To make decisions in relation to Headteachers' pay, based on LGB recommendations and performance management.



## Trustees' Report for the Year Ended 31 August 2017 (continued)

### ***Connected organisations, including related party relationships***

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

#### **Hull SCITT (School Centred Initial Teacher Training)**

Hull SCITT is part of HCAT and operates as a school with delegated responsibility to the SCITT Director.

#### **Hull Centre for Restorative Practice**

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

#### **Hull Local and East Riding Authority**

The organisation works in partnership to offer school to school support outside of the academy Trust. The Trust has selected representatives on a variety of committees and boards across the authority.

#### **National College for Teaching and Leadership (NCTL)**

Joint and commissioned research projects are undertaken by the Trust in partnership with NCTL alongside supporting NLE (National Leader in Education), LLE (Local Leader In Education), NLG (National Leader in Governance) and SLE (Specialist Leader in Education deployment to support schools).

#### **North Carr Academy Trust (NCAT)**

The Trust works closely with NCAT as a partner in HCTS the teaching school developing bespoke high quality Continuing Professional Development to school leaders and supporting a range of schools both within and external to the academy Trust through NLE, LLE, SLE and NLG deployment.

#### **Hull Collaborative Teaching School**

The Trust is in partnership with NCAT and the NCTL to provide this local training and works with over 60 schools to provide high quality training and support for their needs.

#### **Hull University**

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

#### **St Mary's College**

The partnership with St Mary's College has impacted on a range of schools and academies through joint school to school support and SLE CPD. St Mary's is the Key partner in HCATs sponsorship of The Marvell College.



## Trustees' Report for the Year Ended 31 August 2017 (continued)

### Objectives and activities

#### *Objectives and aims*

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

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

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

#### *Objectives, strategies and activities*

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

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

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

Shared resources across the Trust in terms of staffing and contracts also benefit all schools. The School Improvement team have been instrumental in the Trusts recent Ofsted judgement whilst the Strategic Business Manager supports the Trust as an ongoing sustainable business. In addition shared staff such as the Trust Emotional Wellbeing Lead and Safeguarding Lead ensures all schools have access to expertise that normally would be beyond the reach of an individual school.

As the primary purpose of the Trust is to provide the best possible education for children and minimise the amount of money it spends on other expense Finance, Human Resource and Payroll have been brought in house from 1 September 2016 and have been operating to a high standard throughout 2016/17.

The Trust operates a shared service model with Shared Staff alongside St Mary's HR and Safeguarding. The safeguarding lead also offers her high quality service to other local schools as an SLA ensuring a high proportion of children in Hull benefit from her expertise.





**Trustees' Report for the Year Ended 31 August 2017 (continued)**

***Public benefit***

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

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



## Hull Collaborative Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

##### Ofsted's this year:

Wheeler Primary Sept 2016 - Good

##### Schools who have joined:

The Marvell College 1st September 2016 HCAT's first secondary led by St Marys College.

Gilberdyke School 1st June 2017 sponsored

Longhill Primary School 1st July 2017

##### School Due to Join:

Stockwell Oct 1st 2017

#### Pupils numbers

Pupil Numbers	Census 1st Jan 2017
Thoresby	511
Dorchester	343
Bellfield	252
Collingwood	306
Wansbeck	221
Westcott	265
Sutton Park	418
Pearson	233
Wheeler	448
Gilberdyke	277
Longhill	428
The Marvell College	860
Eastfield	625

#### Achievements and performance

The Marvell College

Progress 8 +0.17 (4th best in LA)

Attainment 8 43.8, LA 41.8, England Average 44.2



## Hull Collaborative Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

##### *Key financial performance indicators*

##### **EYFS Outcomes - % Achieving a good level of development**

<b>Academy</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Bellfield	61%	69%	70%
Collingwood	51%	52%	55%
Thoresby	58%	61%	62%
Eastfield	64%	67%	70%
Wansbeck**	52%	59%	62%
Dorchester	53%	55%	60%
Westcott **	71%	63%	67%
Sutton Park	58%	58%	63%
Wheeler**	58%	60%	51%
Pearson	57%	62%	63%
<b>HCAT average</b>	<b>58%</b>	<b>61%</b>	<b>62%</b>

\*\*Sponsored school

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

##### **Year 1 Phonics Screening**

Year 1 Phonics pass

<b>Academy</b>	<b>2015/16</b>	<b>2016/17</b>
Bellfield	83	72
Collingwood	85	78
Dorchester	69	69
Eastfield	83	84
Pearson	64	80
Sutton Park	70	81
Thoresby	74	76
Wansbeck**	77	76
Wheeler**	81	84
Westcott**	73	86
<b>HCAT</b>	<b>76</b>	<b>79</b>
<b>National</b>	<b>81</b>	<b>81</b>

\*\* Sponsored school



## Hull Collaborative Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

##### Key Stage 1 Attainment

Academy	Writing		Reading		Maths	
	% Ach.	Expected	% Ach.	Expected	% Ach.	Expected
Bellfield	73		83		83	
Collingwood	57		64		64	
Dorchester	57		64		59	
Eastfield	68		76		76	
Pearson	58		71		67	
Sutton Park	70		73		76	
Thoresby	65		73		76	
Wansbeck**	64		71		71	
Wheeler**	45		45		57	
Westcott**	61		71		73	
<b>HCAT</b>	62		69		70	
<b>National</b>	65		74		73	

\*\* Sponsored school

##### Key Stage 2 SATs

Academy	Reading		Writing		Maths	
	ARE %		ARE %		ARE %	
Bellfield	87		91		91	
Collingwood	74		89		89	
Dorchester	64		62		60	
Eastfield	93		91		95	
Pearson	73		84		90	
Sutton Park	66		86		79	
Thoresby	76		83		78	
Wansbeck**	76		84		80	
Wheeler**	77		89		77	
Westcott**	71		76		62	
<b>HCAT average</b>	76		84		80	
<b>National average</b>	71		76		75	

\*\* Sponsored school



## Trustees' Report for the Year Ended 31 August 2017 (continued)

## Strategic Report

Reading, Writing and  
Maths combined

Academy	HCAT
Bellfield	82
Collingwood	63
Dorchester	53
Eastfield	85
Thorseby	68
Wansbeck**	68
Westcott **	57
Sutton Park	59
Pearson	71
Wheeler **	58
<b>LA average</b>	61
<b>National average</b>	61

\*\* Sponsored school

## Progress

	Reading	Writing	Maths
<b>Academy</b>			
Bellfield	0.8	1.6	3.2
Collingwood	1.6	6.5	3.8
Dorchester	-1.1	-2.0	-0.6
Eastfield	2.9	2.5	3.6
Pearson	1.8	5.4	4.7
Sutton Park	-1.8	1.7	0.4
Thoresby	3.8	4.2	1.8
Wansbeck**	0.4	1.2	0.5
Wheeler**	1.9	4.2	1.9
Westcott**	1.03	3.36	1.29
<b>HCAT average</b>	1.6	2.6	2.1
<b>National</b>	0	0	0

\*\* Sponsored school

## Going concern

After making appropriate enquiries, the Governing Body 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.



## Hull Collaborative Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

##### Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2017 total expenditure of £26,307,799 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £24,445,269 (excluding capital grants and transfer on conversion). The excess of expenditure over income for the period was £1,862,530. If depreciation and FRS102 pension adjustments were excluded there would be a deficit of £173,145 for the year.

At 31 August 2017 the net book value of fixed assets was £55,227,428 and movements in tangible fixed assets are shown in notes 12 and 13 within the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £9,115,000.

##### Reserves policy

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

A breakdown of the funds at 31 August 2017 is as follows:

	£
Unrestricted general fund	1,832,626
Restricted general fund	(98,104)
Restricted fixed asset fund	55,667,179
Restricted pension fund	(9,115,000)
Total funds	<u>48,286,701</u>

##### Investment policy

The Trust does not currently invest its limited reserves but hold these in an interest paying bank account.

##### Principal risks and uncertainties

The principal risk and uncertainties are centred around changes in the level of funding from the DfE/ESFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year. The recent Triannual valuation for the LGPS has enabled an Academy rate across all schools to share the risk and has resulted in a downward rate of contribution for all schools over the next three years.



## Trustees' Report for the Year Ended 31 August 2017 (continued)

### Strategic Report

#### *Risk management*

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

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

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

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

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

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

Further risks are contained within the Trust Risk register and are reviewed at each Audit Committee meeting.

#### *Plans for future periods*

HCAT are looking to expand over the coming financial year from its current position of 12 Primaries and 1 Secondary. One sponsored primary school Gilberdyke has joined the Trust (July 2017) and is the first school in a new local authority area, the East Riding of Yorkshire. A further school Stockwell has been rebrokered from a failing trust and joined in October 2017. A number of schools have expressed an interest in joining the Trust and these would be a mix of sponsored and converter academies to ensure the Trust is sustainable. The Trust has a robust due diligence procedure in place to ensure that any academies joining the Trust will have a positive impact on the Trust, and the outcomes for pupils within it.

The expectation is that HCAT will continue to grow in school numbers during 2017/18, as the Governments coasting schools and academisation programme continue. It is expected that a balanced mix of existing and new academies, (sponsored and non sponsored) will look for a Local Multi Academy Trust to join and HCAT has positioned itself to provide an experienced and excellent choice for schools to join.



## Trustees' Report for the Year Ended 31 August 2017 (continued)

### **Employment of disabled persons**

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

### **Description of employee consultation**

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

### **Auditor**

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 14 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G D Wilson', written over a dotted line.

Mr G D Wilson  
Trustee





## Governance Statement

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hull Collaborative Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to Mrs E M Macdonald OBE, as Accounting Officer and CEO, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hull Collaborative Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Ms K J Dawson	1	2
Mrs L Keating	0	1
Ms D M Sharpe	3	4
Mr G D Wilson	4	7
Mrs K Beal	0	0
Mr A S Kingston	2	7
Mrs E M Macdonald OBE	6	7
Mr M Mathias	4	7
Mrs M J Milner	0	0
Mrs C Mudd	0	0
Mrs K A Sowerby	0	1
Mr A Storr	0	1
Mr M Whitaker	7	7
Mrs E A Wilson	4	7
Mrs C Yates	6	7
Mrs C Hindson	1	1



## Hull Collaborative Academy Trust

### Governance Statement (continued)

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

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

Trustee	Meetings attended	Out of a possible
Mrs E M Macdonald OBE	4	4
Mrs M J Milner	0	0
Mrs C Mudd	0	0
Ms D M Sharpe	3	4
Mrs E A Wilson	2	4
Mrs C Yates	2	4
Mrs K Beal	0	0
Mr G D Wilson	4	4

#### Review of value for money

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

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

As of 1 September 2016 a number of externally contracted services have been brought in house, a number of Finance functions, Payroll and Human Resources. The work to make this possible commenced in 2015/16 with schools saving one third of their expenditure during 2016/17. As the Trust grows, these savings should increase, with the fixed costs being shared across a greater number of schools.

2016/17 has also seen the Trust move to more robust management information systems in place to minimise the resources needed at the centre to ensure good governance within individual academies

- The Trust procured PS Financials as its accounting package in 2016 and has spent this year implementing it fully in the organisation, this will make the finance function more efficient, with improved reporting, accountability and approval. It will also enable the organisation to benchmark effectively and to negotiate with and improve value with a limited list of suppliers for the benefit of all schools.

- The Trust has also rolled out new budgeting software to develop improved budgeting for the Trust's finances at a school and Trust level.

- Central procurement of Software for Management Information (SIMS), Safeguarding (CPOMS) and Pupil Assessment in primaries (Pupil Asset) have been purchased centrally yielding MAT discounts



## Hull Collaborative Academy Trust

### Governance Statement (continued)

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hull Collaborative Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

New Articles of Association and Scheme of Delegation have been introduced during 2016/17 to ensure the Trust adopt the latest governance structures and assurance.

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Mr T Horne, Company Secretary to perform peer review.

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

- testing of accounting system
- testing of income and reclaiming VAT controls
- testing of payroll controls
- testing of purchase controls

On a regular basis, the reviewer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the peer reviewer to date.



## Hull Collaborative Academy Trust

### Governance Statement (continued)

#### Review of effectiveness

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

- the work of the peer reviewer
- 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 14 December 2017 and signed on its behalf by:

Mr G D Wilson  
Trustee

Mrs E M Macdonald OBE  
Trustee



## Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hull Collaborative Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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 Governing Body 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 Governing Body and ESFA.

A handwritten signature in black ink, appearing to read 'E M Macdonald', written over a dotted line.

Mrs E M Macdonald OBE  
Accounting officer

14 December 2017



## Hull Collaborative Academy Trust

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 14 December 2017 and signed on its behalf by:

Mr G D Wilson  
Trustee

Mrs E M Macdonald OBE  
Trustee



## Hull Collaborative Academy Trust

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

#### Opinion

We have audited the financial statements of Hull Collaborative Academy Trust (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

#### Basis for qualified opinion on financial statements

During the year ended 31 August 2016 the audit evidence available to us was limited in respect of the Local Government Pension Scheme (LGPS) as valuations were not available to us at the dates in which two of the schools joined the Trust during that year. As professional valuations of the LGPS were not obtained for these two schools by the Trust we are unable to express an audit opinion of the valuation of the LGPS at the point of these schools joining the Trust and the movement in the Statement of Financial Activities from this point to the year ended 31 August 2016.

#### Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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



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

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Michael Beckett BA FCA (Senior Statutory Auditor)

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

Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

Date: 14/12/2017



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

In accordance with the terms of our engagement letter dated 7 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hull Collaborative Academy Trust during the period 1 September 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 Hull Collaborative Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Hull Collaborative Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hull Collaborative Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 27 June 2013 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 issued by the Education and Skills Funding Agency. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 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 the Education and Skills Funding Agency issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.



## Hull Collaborative Academy Trust

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

*Forrester Boyd Robson Ltd*

Michael Beckett BA FCA

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

Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

14 December 2017



# Hull Collaborative Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	130,627	-	497,937	628,564
Transfer from local authority on conversion and Transfer in from existing Academy Trust		427,270	(2,007,000)	33,069,856	31,490,126
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	22,692,177	-	22,692,177
Other trading activities	4	1,213,028	407,443	-	1,620,471
Investments	5	1,994	-	-	1,994
Total		1,772,919	21,092,620	33,567,793	56,433,332
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	920,368	24,360,046	1,027,385	26,307,799
Net income/(expenditure)		852,551	(3,267,426)	32,540,408	30,125,533
Transfers between funds		-	(239,941)	239,941	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	25	-	1,384,000	-	1,384,000
Net movement in funds/(deficit)		852,551	(2,123,367)	32,780,349	31,509,533
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		970,638	(7,080,300)	22,886,830	16,777,168
Total funds/(deficit) carried forward at 31 August 2017		1,823,189	(9,203,667)	55,667,179	48,286,701



## Hull Collaborative Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	75,584	-	5,575,947	5,651,531
Transfer from local authority on conversion and Transfer in from existing Academy Trust		444,500	(2,102,000)	10,925,990	9,268,490
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	288,235	13,059,677	-	13,347,912
Other trading activities	4	358,547	577,145	-	935,692
Investments	5	3,395	1,280	-	4,675
Total		1,170,261	11,536,102	16,501,937	29,208,300
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	575,584	13,988,047	271,737	14,835,368
Net income/(expenditure)		594,677	(2,451,945)	16,230,200	14,372,932
Transfers between funds		(989,534)	598,449	391,085	-
<b>Other recognised gains and losses</b>					
Profit/(loss) of disposal of tangible fixed assets		-	-	(8,166,263)	(8,166,263)
Actuarial gains on defined benefit pension schemes	25	-	(1,592,000)	-	(1,592,000)
Gains/losses on revaluation of fixed assets		-	-	(14,667,120)	(14,667,120)
Net movement in deficit		(394,857)	(3,445,496)	(6,212,098)	(10,052,451)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		1,365,495	(3,634,804)	29,098,928	26,829,619
Total funds/(deficit) carried forward at 31 August 2016		970,638	(7,080,300)	22,886,830	16,777,168




# Hull Collaborative Academy Trust

(Registration number: 08542806)  
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	8,103	12,964
Tangible assets	13	<u>55,219,325</u>	<u>22,834,672</u>
		<u>55,227,428</u>	<u>22,847,636</u>
<b>Current assets</b>			
Debtors	14	1,492,575	762,745
Cash at bank and in hand		<u>3,157,333</u>	<u>2,519,805</u>
		4,649,908	3,282,550
Creditors: Amounts falling due within one year	15	<u>(2,475,635)</u>	<u>(1,523,018)</u>
Net current assets		<u>2,174,273</u>	<u>1,759,532</u>
Total assets less current liabilities		<u>57,401,701</u>	<u>24,607,168</u>
Net assets excluding pension liability		57,401,701	24,607,168
Pension scheme liability	25	<u>(9,115,000)</u>	<u>(7,830,000)</u>
Net assets including pension liability		<u>48,286,701</u>	<u>16,777,168</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		(88,667)	749,700
Restricted fixed asset fund		55,667,179	22,886,830
Restricted pension fund		<u>(9,115,000)</u>	<u>(7,830,000)</u>
		46,463,512	15,806,530
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>1,823,189</u>	<u>970,638</u>
Total funds		<u>48,286,701</u>	<u>16,777,168</u>

The financial statements on pages 26 to 61 were approved by the Trustees, and authorised for issue on 14 December 2017 and signed on their behalf by:

  
Mr G D Wilson  
Trustee



## Hull Collaborative Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Net cash inflow from operating activities	19	33,544,778	11,451,302
Returns on investments and servicing of finance	20	1,994	4,675
Capital expenditure and financial investment	21	<u>(32,909,244)</u>	<u>(11,023,277)</u>
Increase in cash in the year	22	<u>637,528</u>	<u>432,700</u>



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017

#### 1 Accounting policies

##### General information

The multi academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

The Marvell College  
Barham Road  
Hull  
HU9 4EE

##### 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 the Education and Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

##### Going concern

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

##### Income

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





## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### **Grants**

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

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

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

##### **Sponsorship income**

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

##### **Donations**

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

##### **Other income**

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

##### **Donated goods, facilities and services**

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

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

##### **Transfer on conversion**

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

##### **Transfer of existing academies into the trust**

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### **Donated fixed assets**

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

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Expenditure on raising funds**

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

##### **Charitable activities**

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

##### **Intangible fixed assets**

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

##### **Asset class**

Website

##### **Amortisation method and rate**

Straight line over 3 years



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold and leasehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

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

##### Liabilities

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

##### Provisions

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

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



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### Private finance initiative

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

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

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

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

##### Leased assets

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

##### Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

##### Taxation

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

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



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, 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 the Education and Skills Funding Agency/Department for Education/sponsor/other 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/Department for Education.

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2017. 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.



# Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

## 2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
<b>Other voluntary income</b>				
Educational trips and visits	78,713	-	78,713	74,469
Capital grants	-	497,937	497,937	5,575,947
Other donations	51,914	-	51,914	1,115
	<u>130,627</u>	<u>497,937</u>	<u>628,564</u>	<u>5,651,531</u>

## 3 Funding for the Academy Trust's educational operations

	School	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	Bellfield Primary School	801,426	801,426	798,440
General Annual Grant	Collingwood Primary School	1,206,556	1,206,556	1,123,357
General Annual Grant	Dorchester Primary School	1,291,914	1,291,914	1,295,563
General Annual Grant	Eastfield Primary School	2,110,434	2,110,434	2,137,429
General Annual Grant	Gilberdyke Primary School	223,531	223,531	-
General Annual Grant	Longhill Primary School	238,115	238,115	-
General Annual Grant	The Marvell College	5,473,612	5,473,612	-
General Annual Grant	Pearson Primary School	982,705	982,705	487,512
General Annual Grant	Sutton Park Primary School	1,270,583	1,270,583	1,088,588
General Annual Grant	Thoresby Primary School	1,697,385	1,697,385	1,634,006
Other ESFA Funding	Bellfield Primary School	9,135	9,135	34,834
Other ESFA Funding	Collingwood Primary School	9,816	9,816	26,872
Other ESFA Funding	Dorchester Primary School	14,125	14,125	11,115
Other ESFA Funding	Eastfield Primary School	4,323	4,323	12,931
Other ESFA Funding	The Marvell College	194,649	194,649	-
Other ESFA Funding	Pearson Primary School	10,154	10,154	4,612
Other ESFA Funding	Sutton Park Primary School	13,802	13,802	14,358
Other ESFA Funding	Thoresby Primary School	8,558	8,558	27,233
Other ESFA Funding	Wansbeck Primary School	10,072	10,072	19,093
Other ESFA Funding	Westcott Primary School	8,045	8,045	3,006
Start Up Grant	Pearson Primary School	-	-	25,000
Start Up Grant	Westcott Primary School	-	-	80,000
Start Up Grant	Gilberdyke Primary School	25,000	25,000	-
Start Up Grant	The Marvell College	25,000	25,000	-
Pupil Premium	Bellfield Primary School	79,981	79,981	81,277
Pupil Premium	Collingwood Primary School	135,625	135,625	137,760
Pupil Premium	Dorchester Primary School	215,551	215,551	352,446



## Hull 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 (continued)

	School	Restricted funds £	Total 2017 £	Total 2016 £
Pupil Premium	Eastfield Primary School	171,270	171,270	173,156
Pupil Premium	Gilberdyke Primary School	14,375	14,375	-
Pupil Premium	Longhill Primary School	66,065	66,065	-
Pupil Premium	The Marvell College	421,580	421,580	-
Pupil Premium	Pearson Primary School	113,904	113,904	51,792
Pupil Premium	Sutton Park Primary School	129,478	129,478	116,625
Pupil Premium	Thoresby Primary School	136,125	136,125	158,676
Pupil Premium	Wansbeck Primary School	159,929	159,929	150,115
Pupil Premium	Westcott Primary School	46,260	46,260	8,430
Pupil Premium	Wheeler Primary School	185,765	185,765	87,515
UIFSM	Bellfield Primary School	24,254	24,254	25,783
UIFSM	Collingwood Primary School	33,649	33,649	33,649
UIFSM	Dorchester Primary School	37,801	37,801	20,721
UIFSM	Eastfield Primary School	85,434	85,434	79,534
UIFSM	Gilberdyke Primary School	17,115	17,115	-
UIFSM	Longhill Primary School	10,292	10,292	-
UIFSM	Pearson Primary School	24,909	24,909	11,544
UIFSM	Sutton Park Primary School	55,625	55,625	49,344
UIFSM	Thoresby Primary School	76,257	76,257	79,971
UIFSM	Wansbeck Primary School	16,388	16,388	21,195
UIFSM	Westcott Primary School	22,961	22,961	-
UIFSM	Wheeler Primary School	56,337	56,337	24,471
Other ESFA Funding	Wheeler Primary School	6,213	6,213	18,324
General Annual Grant	Wansbeck Primary School	907,627	907,627	921,923
General Annual Grant	Westcott Primary School	915,656	915,656	154,948
General Annual Grant	Wheeler Primary School	1,482,836	1,482,836	713,414
		<u>21,278,202</u>	<u>21,278,202</u>	<u>12,296,562</u>

#### Other government grants

Statement and Early Years Funding	Bellfield Primary School	120,948	120,948	91,692
Statement and Early Years Funding	Collingwood Primary School	103,717	103,717	140,578
Statement and Early Years Funding	Dorchester Primary School	205,619	205,619	104,259
Statement and Early Years Funding	Eastfield Primary School	36,468	36,468	19,295
Statement and Early Years Funding	Longhill Primary School	35,070	35,070	-
Statement Funding	The Marvell College	10,733	10,733	-
Statement and Early Years Funding	Pearson Primary School	72,029	72,029	43,200
Statement and Early Years Funding	Sutton Park Primary School	194,794	194,794	139,939



## Hull 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 (continued)

	School	Restricted funds £	Total 2017 £	Total 2016 £
Statement and Early Years Funding	Thoresby Primary School	99,920	99,920	115,372
Statement and Early Years Funding	Wansbeck Primary School	83,515	83,515	84,350
Other Grants	Collingwood Primary School	7,980	7,980	-
Statement and Early Years Funding	Westcott Primary School	8,169	8,169	778
Statement and Early Years Funding	Wheeler Primary School	176,735	176,735	79,916
Other Grants	Eastfield Primary School	13,322	13,322	-
Other Grants	Pearson Primary School	3,000	3,000	-
Other Grants	Thoresby Primary School	15,585	15,585	-
Other Grants	Wheeler Primary School	36,893	36,893	-
Sponsorship Grant	The Marvell College	50,000	50,000	-
Sponsorship Grant	Gilberdyke Primary School	45,000	45,000	-
Sponsorship Capacity Grant		50,000	50,000	-
		<u>1,369,497</u>	<u>1,369,497</u>	<u>819,379</u>
<b>Non-government grants and other income</b>				
Lottery Grant	Bellfield Primary School	-	-	10,000
Lottery Grant	Dorchester Primary School	9,695	9,695	-
Lottery Grant	Sutton Park Primary School	-	-	10,000
Teaching School	Collingwood Primary School	-	-	45,000
NCTL	Thoresby Primary School	-	-	3,904
Little Treasures	Wheeler Primary School	-	-	163,067
Lottery Grant	Westcott Primary School	9,450	9,450	-
Teaching School	Eastfield Primary School	25,333	25,333	-
		<u>44,478</u>	<u>44,478</u>	<u>231,971</u>
Total grants		<u>22,692,177</u>	<u>22,692,177</u>	<u>13,347,912</u>

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	67,184	-	67,184	61,374
Catering income	48,818	-	48,818	31,538
School shop sales	-	-	-	2,410
Recharges and reimbursements	84,474	36,196	120,670	148,074
Other sales	1,012,552	371,247	1,383,799	692,296
	<u>1,213,028</u>	<u>407,443</u>	<u>1,620,471</u>	<u>935,692</u>





# Hull Collaborative Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	-	-	4,675
Bank Interest	1,994	1,994	-
	<u>1,994</u>	<u>1,994</u>	<u>4,675</u>

### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
<b>Academy's educational operations</b>					
Direct costs	10,025,107	901,484	1,094,482	12,021,073	7,364,621
Allocated support costs	<u>9,003,287</u>	<u>2,041,224</u>	<u>3,242,215</u>	<u>14,286,726</u>	<u>7,470,747</u>
	<u>19,028,394</u>	<u>2,942,708</u>	<u>4,336,697</u>	<u>26,307,799</u>	<u>14,835,368</u>



# Hull Collaborative Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Operating leases - PFI payments	1,121,547	-
Operating leases - other leases	31,885	30,407
Fees payable to auditor - audit	33,750	25,500
- other audit services	7,254	12,185
Amortisation	4,861	1,620
Depreciation	<u>1,022,524</u>	<u>270,117</u>

### 7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	12,021,073	7,364,621
Support costs - educational operations	<u>14,286,726</u>	<u>7,470,747</u>
	<u>26,307,799</u>	<u>14,835,368</u>

	Educational operations £	Total 2017 £	Total 2016 £
<b>Analysis of support costs</b>			
Support staff costs	9,003,287	9,003,287	4,579,800
Depreciation	125,901	125,901	91,355
Technology costs	338,551	338,551	146,614
Premises costs	1,915,323	1,915,323	715,147
Other support costs	<u>2,903,664</u>	<u>2,903,664</u>	<u>1,937,831</u>
Total support costs	<u>14,286,726</u>	<u>14,286,726</u>	<u>7,470,747</u>



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 8 Staff

##### Staff costs

	2017 £	2016 £
<b>Staff costs during the year were:</b>		
Wages and salaries	13,885,192	9,006,359
Social security costs	1,203,300	635,200
Pension costs	3,050,002	1,609,315
Apprenticeship levy	14,929	-
	<u>18,153,423</u>	<u>11,250,874</u>
Supply staff costs	764,971	38,682
Staff restructuring costs	110,000	-
	<u>19,028,394</u>	<u>11,289,556</u>
		<b>2017 £</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments		80,124
Severance payments		<u>29,876</u>
		<u>110,000</u>

The staff restructuring costs are statutory and contractual.

##### Staff numbers

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

	2017 No	2016 No
<b>Charitable Activities</b>		
Teachers	284	178
Administration and support	468	406
Management	<u>4</u>	<u>4</u>
	<u>756</u>	<u>588</u>

##### Higher paid staff

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



Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff (continued)

	2017 No	2016 No
£60,001 - £70,000	4	3
£70,001 - £80,000	2	5
£80,001 - £90,000	-	1
£90,001 - £100,000	3	-
£100,001 - £110,000	1	3
£120,001 - £130,000	1	-
£130,001 - £140,000	1	-

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

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £579,929 (2016: £491,568).

9 Central services

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

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

The trust charges for these services on the following basis:

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

5% if a sponsored school, to allow for the greater support

4% for all other schools

The actual amounts charged during the year were as follows:



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 9 Central services (continued)

	2017 £
Bellfield Primary School	32,041
Collingwood Primary School	59,514
Dorchester Primary School	51,664
Eastfield Primary School	77,268
Gilberdyke Primary School	11,207
Longhill Primary School	9,524
Pearson Primary School	44,629
Hull SCITT	21,935
Sutton Park Primary School	54,677
Thoresby Primary School	69,008
Wansbeck Primary School	51,892
Westcott Primary School	49,378
Wheeler Primary School	79,162
	<u>611,899</u>



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 10 Related party transactions - trustees' remuneration and expenses

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

Mrs E M Macdonald OBE (Head Teacher):

Remuneration: £135,000 - £140,000 (2016 - £105,000 - £110,000)

Employer's pension contributions: £20,000 - £25,000 (2016 - £15,000 - £20,000)

Mrs M J Milner (Head Teacher):

Remuneration: £5,000 - £10,000 (2016 - £85,000 - £90,000)

Employer's pension contributions: £0 - £5,000 (2016 - £10,000 - £15,000)

Mrs K Beal (Head Teacher):

Remuneration: £5,000 - £10,000 (2016 - £105,000 - £110,000)

Employer's pension contributions: £0 - £5,000 (2016 - £15,000 - £20,000)

Mrs C Mudd (Head Teacher):

Remuneration: £5,000 - £10,000 (2016 - £75,000 - £80,000)

Employer's pension contributions: £0 - £5,000 (2016 - £10,000 - £15,000)

Information is for one month for the following people who resigned 04/10/2016:-

Mrs M J Milner

Mrs K Beal

Mrs C Mudd

During the year ended 31 August 2017, travel and subsistence expenses totalling £628 (2016 - £Nil) were reimbursed or paid directly to 2 Trustees (2016 - 0).

Other related party transactions involving the Trustees are set out in note 26.

#### 11 Trustees' and officers' insurance

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



# Hull Collaborative Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 12 Intangible fixed assets

	Intangible assets £	Total £
<b>Cost</b>		
At 1 September 2016	14,584	14,584
At 31 August 2017	14,584	14,584
<b>Amortisation</b>		
At 1 September 2016	1,620	1,620
Charge for the year	4,861	4,861
At 31 August 2017	6,481	6,481
<b>Net book value</b>		
At 31 August 2017	8,103	8,103
At 31 August 2016	12,964	12,964



# Hull Collaborative Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>						
At 1 September 2016	2,621,940	19,314,900	110,504	403,307	742,925	23,193,576
Additions	-	-	44,458	108,340	184,525	337,323
Inherited assets	25,073,920	3,059,000	-	-	-	28,132,920
Transfer from existing academy trust	-	4,259,987	36,397	17,966	622,588	4,936,938
At 31 August 2017	<u>27,695,860</u>	<u>26,633,887</u>	<u>191,359</u>	<u>529,613</u>	<u>1,550,038</u>	<u>56,600,757</u>
<b>Depreciation</b>						
At 1 September 2016	10,572	129,693	34,908	159,460	24,275	358,908
Charge for the year	<u>530,491</u>	<u>309,739</u>	<u>38,987</u>	<u>82,053</u>	<u>61,254</u>	<u>1,022,524</u>
At 31 August 2017	<u>541,063</u>	<u>439,432</u>	<u>73,895</u>	<u>241,513</u>	<u>85,529</u>	<u>1,381,432</u>
<b>Net book value</b>						
At 31 August 2017	<u>27,154,797</u>	<u>26,194,455</u>	<u>117,464</u>	<u>288,100</u>	<u>1,464,509</u>	<u>55,219,325</u>
At 31 August 2016	<u>2,611,368</u>	<u>19,185,207</u>	<u>75,596</u>	<u>243,847</u>	<u>718,650</u>	<u>22,834,668</u>





## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 13 Tangible fixed assets (continued)

Included within leasehold land and buildings is £26,194,455 (2016: £19,185,207) relating to long leasehold land and buildings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 14 Debtors

	2017 £	2016 £
Trade debtors	263,290	88,320
VAT recoverable	625,026	199,613
Other debtors	1,500	2,905
Prepayments	181,024	153,196
Accrued grant and other income	421,735	318,711
	<u>1,492,575</u>	<u>762,745</u>

#### 15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	984,629	579,376
Other taxation and social security	329,718	152,218
Other creditors	31,113	18,672
Accruals	497,807	291,997
Deferred income	324,001	314,280
Pension scheme creditor	308,367	166,475
	<u>2,475,635</u>	<u>1,523,018</u>
		<b>2017 £</b>

#### Deferred income

Deferred income at 1 September 2016	314,280
Resources deferred in the period	(314,280)
Amounts released from previous periods	324,001
Deferred income at 31 August 2017	<u>324,001</u>

Deferred income relates to Universal Free School Meal funding received in July 2017 and rates relief claim funding received in advance for the period September 2017 to March 2018.



# Hull Collaborative Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 16 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	749,700	18,602,380	(19,203,809)	(236,938)	(88,667)
Other Dfe/ESFA grants	-	288,892	(288,892)	-	-
UIFSM	-	461,022	(461,022)	-	-
Pupil Premium	-	1,875,908	(1,875,908)	-	-
Statement and Early Years Funding	-	1,147,717	(1,147,717)	-	-
Lottery Grant	-	19,145	(19,145)	-	-
Teaching School Grant	-	25,333	(25,333)	-	-
Top Slice income of academies pre HCAT	-	36,196	(36,196)	-	-
Other Government Grants	-	643,027	(640,024)	(3,003)	-
	<u>749,700</u>	<u>23,099,620</u>	<u>(23,698,046)</u>	<u>(239,941)</u>	<u>(88,667)</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG	7,621,823	497,937	(175,484)	239,941	8,184,217
Transfer of Assets from existing academies into the Trust	5,789,657	4,936,936	(178,017)	-	10,548,576
Donated Assets from Local Authority	<u>9,475,350</u>	<u>28,132,920</u>	<u>(673,884)</u>	<u>-</u>	<u>36,934,386</u>
	22,886,830	33,567,793	(1,027,385)	239,941	55,667,179
<b>Restricted pension funds</b>					
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(7,830,000)</u>	<u>(2,007,000)</u>	<u>(662,000)</u>	<u>1,384,000</u>	<u>(9,115,000)</u>
Total restricted funds	15,806,530	54,660,413	(25,387,431)	1,384,000	46,463,512
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>970,638</u>	<u>1,772,919</u>	<u>(920,368)</u>	<u>-</u>	<u>1,823,189</u>
Total funds	<u>16,777,168</u>	<u>56,433,332</u>	<u>(26,307,799)</u>	<u>1,384,000</u>	<u>48,286,701</u>



## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 16 Funds (continued)

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

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

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

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

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

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

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

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

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

Restricted Pension Funds represent the LGPS pension deficit.

The trust is carrying a net deficit of £98,104 on Restricted General Funds (excluding pension reserve) which is covered by the Unrestricted General Funds balance of £1,832,626.



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 16 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2017 (including central service recharges of £611,899) were allocated as follows:

	Total £
Bellfield Primary School	117,104
Collingwood Primary School	213,380
Dorchester Primary School	500,259
Eastfield Primary School	250,347
Gilberdyke Primary School	124,001
Longhill Primary School	347,968
The Marvell College	105,835
Pearson Primary School	61,752
Hull SCITT	32,173
Sutton Park Primary School	(78,429)
Thoresby Primary School	(111,494)
Wansbeck Primary School	109,383
Westcott Primary School	24,712
Wheeler Primary School	165,954
Central services	<u>(128,423)</u>
Total before fixed assets and pension reserve	1,734,522
Capital grants and expenditure from GAG	55,667,179
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(9,115,000)</u>
Total	<u><u>48,286,701</u></u>

Sutton Park Primary School is carrying a net deficit of £78k on these funds because of the investment in school improvement during the year coupled with additional staffing resources required for High Needs children that are not funded by Local Authority

The trust is taking the following action to return the academy to surplus by taking a review of resources in the current year including restructuring and continuing to challenge best value and whether any further economies of scale can be achieved. This is expected to take approximately 4 years to return to a surplus.

Thoresby Primary School is carrying a net deficit of £111k on these funds because of the planned school improvements including additional staffing resources.

The trust is taking the following action to return the academy to surplus as the resources are reviewed and evaluated. This is expected to take a couple of years to return to a surplus.

Central Services are carrying a net deficit of £128k because of the restructuring staff that occurred in the year with some one-off costs being incurred.

Action has been taken by the restructuring to return the academy to a surplus in the current year.



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 16 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £	Total 2016 £
Bellfield Primary School	484,039	380,673	51,553	179,089	1,095,354	1,110,370
Collingwood Primary School	655,408	480,307	108,432	209,122	1,453,269	1,769,773
Dorchester Primary School	796,727	680,539	73,606	312,421	1,863,293	1,753,061
Eastfield Primary School	823,799	1,231,623	56,881	494,306	2,606,609	2,798,607
Gilberdyke Primary School	108,492	106,791	3,142	20,346	238,771	-
Longhill Primary School	122,779	103,100	2,859	52,602	281,340	-
The Marvell College	1,947,546	1,759,060	204,397	2,321,233	6,232,236	-
Pearson Primary School	501,236	519,457	42,051	196,437	1,259,181	583,753
Hull SCITT	83,864	99,740	162	62,544	246,310	118,744
Sutton Park Primary School	878,924	624,510	40,801	348,872	1,893,107	1,579,776
Thoresby Primary School	1,030,579	759,754	47,552	378,348	2,216,233	2,145,428
Wansbeck Primary School	509,471	378,748	62,740	200,715	1,151,674	1,246,688
Westcott Primary School	477,297	338,290	23,051	205,931	1,044,569	139,329
Wheeler Primary School	656,434	1,540,695	43,163	280,731	2,521,023	1,083,318
Central services	948,512	-	10,228	218,705	1,177,445	234,784
Academy Trust	<u>10,025,107</u>	<u>9,003,287</u>	<u>770,618</u>	<u>5,481,402</u>	<u>25,280,414</u>	<u>14,563,631</u>



Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	8,103	8,103
Tangible fixed assets	-	-	55,219,325	55,219,325
Current assets	1,823,189	2,386,968	439,751	4,649,908
Current liabilities	-	(2,475,635)	-	(2,475,635)
Pension scheme liability	-	(9,115,000)	-	(9,115,000)
Total net assets	<u>1,823,189</u>	<u>(9,203,667)</u>	<u>55,667,179</u>	<u>48,286,701</u>

18 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 £	2016 £
Amounts due within one year	34,667	23,159
Amounts due between one and five years	<u>26,433</u>	<u>24,124</u>
	<u>61,100</u>	<u>47,283</u>

*Private finance initiative commitments*

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

	2017 £	2016 £
Amounts due within one year	1,121,547	-
Amounts due within one and five years	4,602,903	-
Amounts due over five years	17,680,520	-
	<u>23,404,970</u>	<u>-</u>



## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2017 £	2016 £
Net income	30,125,537	14,372,932
Amortisation	4,861	1,620
Depreciation	1,022,524	270,117
Donated capital and capital grants	(497,937)	(5,575,947)
Interest receivable	(1,994)	(4,675)
FRS 102 net interest on defined benefit pension scheme	191,000	206,000
FRS 102 cost less contributions payable on defined benefit pension scheme	471,000	(44,000)
Increase in debtors	(729,830)	(369,077)
Increase in creditors	952,617	492,332
Inherited pension	2,007,000	2,102,000
Net cash inflow from operating activities	<u>33,544,778</u>	<u>11,451,302</u>

### 20 Cash flows from financing activities

	2017 £	2016 £
Investments	<u>1,994</u>	<u>4,675</u>
Net cash provided by financing activities	<u>1,994</u>	<u>4,675</u>

### 21 Cash flows from investing activities

	2017 £	2016 £
Purchase of intangible fixed assets	-	(14,584)
Purchase of tangible fixed assets	(337,323)	(5,658,650)
Capital funding received from sponsors and others	497,937	5,575,947
Inherited assets	<u>(33,069,858)</u>	<u>(10,925,990)</u>
Net cash used in investing activities	<u>(32,909,244)</u>	<u>(11,023,277)</u>

### 22 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	<u>3,157,333</u>	<u>2,519,805</u>
Total cash and cash equivalents	<u>3,157,333</u>	<u>2,519,805</u>





## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 23 Contingent liabilities

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

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

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

### 24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

### 25 Pension and similar obligations

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

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

Contributions amounting to £308,367 (2016 - £166,475) were payable to the schemes at 31 August 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.



## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 25 Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,331,436 (2016: £788,057).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,482,000 (2016 - £1,191,000), of which employer's contributions totalled £1,239,000 (2016 - £996,000) and employees' contributions totalled £243,000 (2016 - £195,000). The agreed contribution rates for future years are 24 per cent for employers and 5.5 - 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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	2.60	2.30
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	<u>2.50</u>	<u>2.10</u>

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



# Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

## 25 Pension and similar obligations (continued)

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	21.70	21.90
Females retiring today	24.20	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.70	24.20
Females retiring in 20 years	<u>26.40</u>	<u>26.70</u>
<b>Sensitivity analysis</b>		
	At 31 August 2017 £	At 31 August 2016 £
Discount rate -0.5%	2,694,000	1,921,000
Salary rate +0.5%	605,000	641,000
Pension rate +0.5%	2,035,000	1,224,000
Mortality assumption - 1 year increase	<u>805,000</u>	<u>441,000</u>

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

	At 31 August 2017 £	At 31 August 2016 £
Equities	7,811,000	5,121,000
Other bonds	1,432,000	751,000
Property	1,210,000	750,000
Cash and other liquid assets	<u>548,000</u>	<u>204,000</u>
Total market value of assets	<u>11,001,000</u>	<u>6,826,000</u>

The actual return on scheme assets was £933,000 (2016 - £932,000).



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 25 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employers contributions)	471,000	(44,000)
Net interest cost	191,000	206,000
Total operating charge	<u>662,000</u>	<u>162,000</u>

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

	2017 £	2016 £
At start of period	14,656,000	7,047,000
Conversion of academy trusts	1,761,000	-
Transferred in on existing academies joining the trust	2,086,000	3,728,000
Current service cost	1,528,000	890,000
Interest cost	362,000	401,000
Employee contributions	243,000	195,000
Actuarial (gain)/loss	(635,000)	2,333,000
Benefits paid	(67,000)	-
Past service cost	182,000	62,000
At 31 August	<u>20,116,000</u>	<u>14,656,000</u>

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

	2017 £	2016 £
At start of period	6,826,000	3,073,000
Conversion of academy trusts	697,000	-
Transferred in on existing academies joining the trust	1,143,000	1,630,000
Interest income	171,000	191,000
Actuarial gain/(loss)	762,000	741,000
Employer contributions	1,239,000	996,000
Employee contributions	243,000	195,000
Benefits paid	(80,000)	-
At 31 August	<u>11,001,000</u>	<u>6,826,000</u>



## Hull Collaborative Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

##### **Hull Collaborative Teaching School**

(A company in which E Macdonald is a Trustee)

During the year the Trust purchased services amounting to £69,759 (2016 - £46,831) and recharged services amounting to £50,734 (2016 - £76,046) with Hull Collaborative Teaching School Limited. These services were purchased on a recharge of time basis. At the year end there was a separate balance owing to the teaching school of £nil (2016 - £7,020) in relation to the development of a SCITT. At the balance sheet date the amount due from Hull Collaborative Teaching School was £9,885 (2016 - £27,290).

##### **Hull Centre for Restorative Practice Limited**

(A company in which E Macdonald is a Trustee)

During the year the Trust purchased services amounting to £13,454 (2016 - £20,732) and recharged services amounting to £73 (2016 - £1,340) from Hull Centre for Restorative Practice Limited. These services were purchased on a cost basis. At the balance sheet date the amount due to Hull Centre for Restorative Practice Limited was £635 (2016 - £1,190).

##### **Wilson Education Limited**

(A company in which G Wilson is a Trustee)

During the year the Trust purchased services amounting to £1,547 (2016 - £936). At the balance sheet date the amount due to Wilson Education Limited was £267 (2016 - £Nil).

##### **C Macdonald**

(Daughter of E Macdonald)

C Macdonald received £nil (2016 - £3,724) during the year as an employee of the Trust. At the balance sheet date the amount due to C Macdonald was £Nil (2016 - £Nil).

##### **L Lutkin**

(Daughter of K Beal)

L Lutkin received £nil (2016 - £7,125) during the year for services to the Trust. At the balance sheet date the amount due to L Lutkin was £Nil (2016 - £Nil).

##### **Swanland Educational Trust**

(An Academy in which Mr M Whitaker and Mr C Huscroft are Trustees)

During the year the Trust raised a sales invoice amounting to £180 (2016 - £nil) for Raise Online. At the balance sheet date the amount due to Swanland Educational Trust was £Nil (2016 - £Nil).

##### **Current Education Group Limited**

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £6,533 (2016 - £nil) from Current Education Group Limited. These services were purchased on a cost basis. At the balance sheet date the amount due to Current Education Group Limited was £Nil (2016 - £Nil).



# Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

## 26 Related party transactions (continued)

### St Mary's College

(A College in which Mrs V Nolan is a Governor)

During the year the Trust purchased services in form of agency staff amounting to £235,373 (2016 - £nil). At the balance sheet date the amount due to St Mary's College was £120 (2016 - £Nil).

### St Mary's Sports Development College

(A College in which Mrs V Nolan is a Trustee)

During the year the Trust purchased service amounting to £621 (2016 - £nil). At the balance sheet date the amount due to St Mary's Sports Development College was £Nil (2016 - £Nil).

### St Cuthbert's Roman Catholic Academy Trust

(A multi academy trust in which Mrs V Nolan is a Trustee)

During the year the Trust charged for services amounting to £5,000 (2016 - £nil). At the balance sheet date the amount due from/(to) St Cuthbert's Roman Catholic Academy Trust was £6,000 (2016 - £Nil).

## 27 Transfer of existing academies into the Trust

### Longhill Primary School

	Value reported by transferring trust £	Transfer in recognised £
<b>Tangible fixed assets</b>		
Leasehold land and buildings	4,259,987	4,259,987
Leasehold improvements	622,588	622,588
Furniture and equipment	36,397	36,397
Computer equipment	17,964	17,964
	<u>4,936,936</u>	<u>4,936,936</u>
<b>Other assets</b>		
Debtors due in less than one year	130,054	130,054
Cash in bank and in hand	325,874	325,874
	<u>455,928</u>	<u>455,928</u>
<b>Liabilities</b>		
Creditors due in less than one year	(137,262)	(137,262)
<b>Pensions</b>		
Pensions – pension scheme liabilities	<u>(943,000)</u>	<u>(943,000)</u>
Net assets	<u>4,312,602</u>	<u>4,312,602</u>
		£
Unrestricted Fund		4,936,936
Restricted general fund		(943,000)
Restricted fixed asset fund		318,666
Total funds		<u>4,312,602</u>



Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

**28 Conversion to an academy trust**

On 1 June 2017 the Gilberdyke Primary School and The Marvell College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hull Collaborative Academy Trust from the East Riding Yorkshire Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources 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 fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	25,073,920	25,073,920
Leasehold land and buildings	-	-	3,059,000	3,059,000
Budget surplus on LA funds	108,604	-	-	108,604
Other identified assets and liabilities	-	(1,064,000)	-	(1,064,000)
Net assets/(liabilities)	<u>108,604</u>	<u>(1,064,000)</u>	<u>28,132,920</u>	<u>27,177,524</u>

The above net assets include £108,604 that were transferred as cash.