

Hull Collaborative Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Hull Collaborative Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 16
Governance Statement	17 to 20
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23 to 25
Independent Reporting Accountant's Report on Regularity	26 to 27
Statement of Financial Activities incorporating Income and Expenditure Account	28 to 29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32 to 64

Hull Collaborative Academy Trust

Reference and Administrative Details

Members

Mr G D Wilson (appointed 5 April 2018)
Mrs L Keating
Mr N Richardson
Mr J Simpson
Mr A Storr
Mr D Hall (appointed 5 April 2018)
Mrs C Yates (resigned 4 December 2017)

Trustees (Directors)

Mr G D Wilson, (*) (Chair) (National Leader of Governance)
Mrs E M Macdonald OBE, (*)
Mr A S Kingston (resigned 25 September 2018)
Mrs E A Wilson, (*) (National Leader of Governance)
Mrs C Yates, (*)
Mr M Mathias, (*)
Mr M Whitaker, (*)
Mrs C Hindson, (*)
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)

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

Constitution

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

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

The members may appoint up to 18 Trustees.

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

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

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

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

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees

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

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

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

Organisational structure

There are three layers of governance: -

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

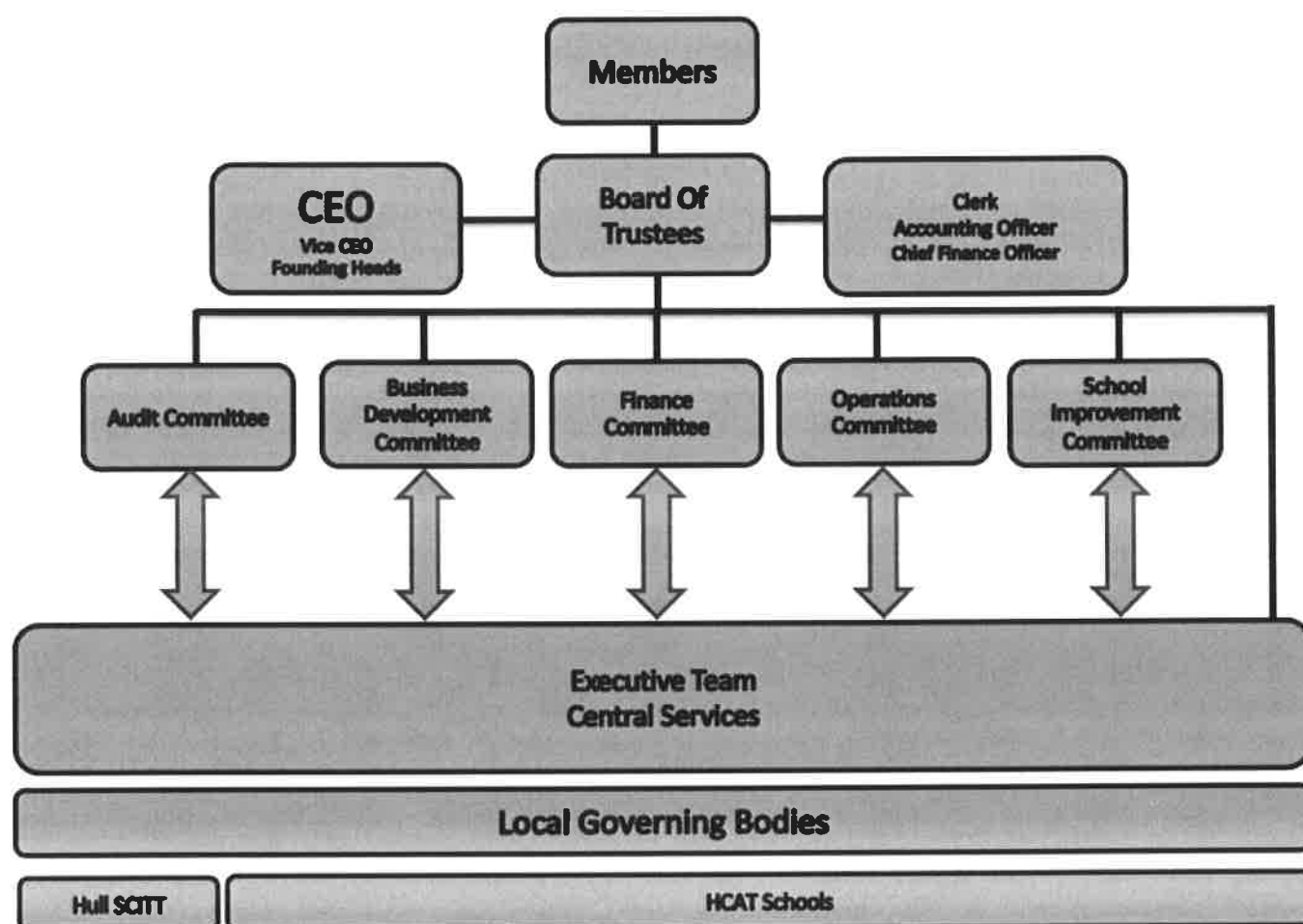
As the Trust has continued to evolve and to ensure that the committees are fit for purpose the Trustees have operated five committees for 2017/18. These committees have Trustees and representatives of local governing bodies (with appropriate skills) as voting members.

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

The Trust Governance structure is per the chart below:

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)



Arrangements for setting pay and remuneration of key management personnel

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

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

Percentage of time

	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	1

Percentage of pay bill spent on facility time

Provide the total cost of facility time

2018

37,140

Provide the total pay bill

20,555,357

Paid trade union activities

2018

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

100

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Connected organisations, including related party relationships

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

Hull SCITT (School Centred Initial Teacher Training)

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

Hull 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.

North Carr Academy Trust (NCAT)

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

Hull Collaborative Teaching School (HCTS)

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

Hull University

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

St Cuthbert's Roman Catholic Academy Trust

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

Carlile Education

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

ASDAN

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Wilson Education

A company which provides educational consultancy to the Trust.

Swanland Education Trust

A local Multi Academy Trust which has provided courses for Hull Collaborative Academy Trust during 2017/18.

Objectives and activities

Objectives and aims

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

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

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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. The Trust seeks to collaborate with more schools to the benefit of the strength of the Trust and for the children who we educate. The Trust is open to approaches from other schools to join the Trust and is in the process of collaborating with further schools in Hull and the East Riding of Yorkshire.

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

Shared resources across the Trust in terms of staffing and contracts also benefit all schools. The School Improvement team have been instrumental in the Trusts recent Ofsted judgements and the top ten placement of the Trust in the DFE KS2 performance tables for Multi Academy Trusts for reading, writing and maths. Whilst the Strategic Business Manager and CFO support the Trust and schools as ongoing, sustainable, businesses. In addition, central staff such as the Trust Emotional Wellbeing Lead, Safeguarding Lead, Human Resources and Estates Team 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 expenses, Finance, Human Resource and Payroll have been brought in house from 1 September 2016 and have been operating to a high standard throughout 2017/18.

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

Public benefit

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

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

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Ofsted's this year:

Stockwell Academy January 2018 - Good

Schools who have joined:

Stockwell Primary School - October 2017

School Due to Join:

Withernsea Primary School - September 2018

Pupils numbers

Pupil Numbers	Census 1st Jan 2018
Thoresby	533
Dorchester	345
Bellfield	250
Collingwood	306
Wansbeck	247
Westcott	204
Sutton Park	398
Pearson	226
Wheeler	447
Gilberdyke	261
Longhill	404
The Marvell College	956
Eastfield	627
Stockwell	367
(Withernsea Primary - joined September 18)	579

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Achievements and performance

Key financial performance indicators

	The Marvell College		National State Funded
	16/17	17/18	17/18
Progress 8	0.17	-0.14	-0.02
Progress Banding	Average	Average	N/A
Attainment 8	43.7%	42.1%	44%
Grade 4 or above GCSE in English and Maths	53%	59%	63%
Grade 5 or above GCSE in English and Maths	33%	34%	43%
EBACC Average Point Score	N/A	3.71	4.03
Entering EBACC	63%	95%	38.4%

EYFS Outcomes - % Achieving a good level of development

Academy	2016/17	2017/18
Bellfield	70%	73%
Collingwood	55%	53%
Thoresby	62%	65%
Eastfield	70%	71%
Wansbeck**	62%	67%
Dorchester	60%	59%
Westcott **	67%	71%
Sutton Park	63%	65%
Wheeler**	51%	52%
Pearson	63%	67%
Gilberdyke**	70%	76%
Longhill	69%	54%
Stockwell	57%	63%

**Sponsored school

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Year 1 Phonics Screening

Year 1 Phonics pass

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

** Sponsored school

Key Stage 1 Attainment

	Writing	Reading	Maths
Academy	% Achieving	Expected	Standard
Bellfield	71	71	71
Collingwood	61	66	68
Dorchester	59	63	69
Eastfield	76	77	79
Pearson	69	76	72
Sutton Park	65	67	69
Thoresby	72	74	78
Wansbeck**	67	74	74
Wheeler**	54	61	63
Westcott**	61	61	61
Gilberdyke**	68	84	84
Longhill	69	66	66
Stockwell	55	57	60

** Sponsored school

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Key Stage 2 SATs

Academy	Reading	Reading	Writing	Writing	Maths	Maths
	ARE %	Progress	ARE %	Progress	ARE %	Progress
Bellfield	88	+3.2	91	+2.6	100	+3.9
Collingwood	85	+3.8	89	+3.5	89	+4.6
Dorchester	82	+0.17	77	-0.1	75	-
Eastfield	93	+2.9	92	+3.0	94	+2.9
Pearson	86	+2.3	90	+3.6	93	+4.1
Sutton Park	63	-0.2	86	+3.5	88	+2.9
Thoresby	84	+4.6	86	+3.7	95	+4.5
Wansbeck**	71	+0.6	81	+3.1	81	+2.8
Wheeler**	62	-1.6	76	+0.4	75	-0.5
Westcott**	50	-1.1	84	+3.0	44	-3.0
Gilberdyke**	91	+0.3	88	-0.1	91	+1.2
Longhill	71	+0.8	80	+3.0	86	+3.1
Stockwell	79	+1.6	83	-0.8	86	+1.9
National	75	-	78	-	76	-

** Sponsored school

ARE% = Age Related Expectations %

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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.

Fundraising

The Trust undertakes limited fundraising activities throughout the school year. An annual ball strives to raise the money for a Trust Minibus. Schools undertake traditional fundraising such as school fairs and summer fairs. Schools also raise money for other charities throughout the year which helps our children appreciate that others need help as well. We have a Trustee who is a professional fundraiser and we hope that will ensure good governance but also advice on how the Trust can raise income in the future.

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018 total expenditure of £31,407,251 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £30,796,118. The excess of expenditure over income for the period was £611,403. Total income excluding transfers of existing academies into the Trust was £29,691,545. Total expenditure excluding depreciation, amortisation and FRS102 pension adjustments was £29,006,461. There would be a surplus of £685,084 when comparing total income, excluding transfers of existing academies into the Trust, and total expenditure, excluding depreciation, amortisation and FRS102 pension adjustments.

At 31 August 2018 the net book value of fixed assets was £56,024,338 and movements in tangible and intangible fixed assets are shown in notes 12 and 13 within the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £7,799,000.

Investment policy

The Trust currently invests its 'surplus' cash in treasury deposits for a maximum of 35 days.

Reserves policy

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

A breakdown of the funds at 31 August 2018 is as follows:

	£
Unrestricted general fund	1,608,863
Restricted general fund	94,480
Restricted fixed asset fund	56,615,955
Restricted pension fund	(7,799,000)
Total funds	<u>50,250,298</u>

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Principal risks and uncertainties

The principal risk and uncertainties are centred around changes in the level of funding from the DfE/ESFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year. The recent 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.

Risk management

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

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

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

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

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

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

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

Plans for future periods

Hull Collaborative Academy Trust are looking to expand over the coming financial year from its current position of 13 Primaries and 1 Secondary. A further school Stockwell has been re-brokered from a failing trust and joined in October 2017. A further large primary school, Withernsea Primary school, joined on 1 September 2018. A number of schools have expressed an interest in joining the Trust and these would be a mix of sponsored and converter academies to ensure the Trust is sustainable. The Trust has a robust due diligence procedure in place to ensure that any academies joining the Trust will have a positive impact on the Trust, and the outcomes for pupils within it.

The expectation is that Hull Collaborative Academy Trust will continue to grow in school numbers during 2018/19 and beyond, as the Governments academisation programme continues, this growth will be managed and sustainable and take into account the school improvement capacity of the Trust. It is expected that a balanced mix of existing and new academies, (sponsored and non-sponsored) will look for a Local Multi Academy Trust to join and Hull Collaborative Academy Trust has positioned itself to provide an experienced and excellent choice for schools to join.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Employment of disabled persons

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

Description of employee consultation

As a Restorative organisation Hull Collaborative Academy Trust follows the principle that all changes affecting staff, children and family involves due process and for staff to feel part of a community that does things with rather than to people. Schools conduct daily circle check ins to allow for open discussion of school and Trust matters. Hull Collaborative Academy Trust is constantly looking at ways to improve communication and has rolled out a Trustwide 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 11 December 2018 and signed on its behalf by:



Mr G D Wilson
Trustee

Hull Collaborative Academy Trust

Governance Statement

Scope of responsibility

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

The 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 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

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

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	1	1
Mrs E A Wilson	5	6
Mr G D Wilson	1	1
Mrs C Yates	1	4
Mr A S Barber	0	5
Mrs C Hindson	2	2
Mr M Mathias	3	5
Mr M Whitaker	1	1
Ms G Simpson	5	6
Mr C J Huscroft	3	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 2018 centralisation of services continues in a sustainable and cost saving for those services that would have been purchased via Service Level Agreements. As the Trust grows, these savings should increase, with the fixed costs being shared across a greater number of schools.
- 2017/18 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 compliance management system compliments the Trustwide Financial systems and budgeting software with asset management, supplier and contracts management, as well as an electronic risk register and policy monitoring and approval should all help the Trust.
- Central procurement of this new compliance software, SIMS support services and Internet and Filtering have been purchased centrally yielding MAT discounts.
- The Trust uses Buying for Schools as a starting point for all procurement. It has accessed for example the Risk Protection Arrangement, Multifunction Device framework, Crescent Purchasing Consortium and the Crown Commercial Services Technology Catalogue during 2017/18 and expects to extend the use of the services highlighted by Buying For Schools to obtain best value through benchmarking and procurement.

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 2018 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 2018 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 were 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:

- to re-appoint Southgates as internal auditor

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

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

On a regular basis, the auditor reports to the 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 internal auditor 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:

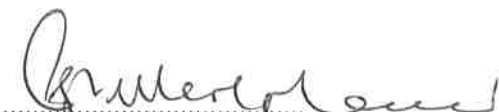
- the work of the internal auditor
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 11 December 2018 and signed on its behalf by:



Mr G D Wilson
Trustee



Mrs E M Macdonald OBE
Trustee

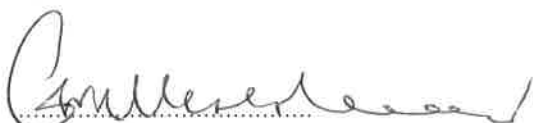
Hull Collaborative Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hull Collaborative Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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.



Mrs E M Macdonald OBE
Accounting officer

11 December 2018

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 2017 to 2018 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.

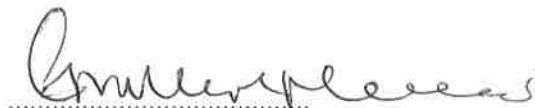
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 11 December 2018 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 2018, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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.

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

We have nothing to report in this regard.

Hull Collaborative Academy Trust

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 22], the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Hull Collaborative Academy Trust

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

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

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

Use of our report

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



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: 13/12/2018

Hull Collaborative Academy Trust

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

In accordance with the terms of our engagement letter dated 16 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hull Collaborative Academy Trust

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

Forrester Boyd Robson 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

Date: *13/12/2014*

Hull Collaborative Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	193,476	-	677,829	871,305
Transfer from local authority on conversion and Transfer in from existing Academy Trust		129,278	(420,890)	1,396,185	1,104,573
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	27,284,997	-	27,284,997
Other trading activities	4	1,102,401	426,447	-	1,528,848
Investments	5	6,395	-	-	6,395
Total		1,431,550	27,290,554	2,074,014	30,796,118
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	147,549	29,771,702	1,488,270	31,407,521
Net income/(expenditure)		1,284,001	(2,481,148)	585,744	(611,403)
Transfers between funds		(1,498,327)	1,135,295	363,032	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	26	-	2,845,000	-	2,845,000
Net movement in (deficit)/funds		(214,326)	1,499,147	948,776	2,233,597
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		1,823,189	(9,203,667)	55,667,179	48,286,701
Total funds/(deficit) carried forward at 31 August 2018		1,608,863	(7,704,520)	56,615,955	50,520,298

Hull Collaborative Academy Trust

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 £
Income and endowments from:					
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
Expenditure on:					
<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	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	26	-	1,384,000	-	1,384,000
Net movement in funds/(deficit)		852,551	(2,123,367)	32,780,349	31,509,533
Reconciliation of funds					
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
(Registration number: 08542806)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	1,622	8,103
Tangible assets	13	<u>56,022,716</u>	<u>55,219,325</u>
		<u>56,024,338</u>	<u>55,227,428</u>
Current assets			
Stocks	14	1,643	-
Debtors	15	1,194,072	1,492,575
Cash at bank and in hand		<u>3,756,244</u>	<u>3,157,333</u>
		4,951,959	4,649,908
Creditors: Amounts falling due within one year	16	<u>(2,656,999)</u>	<u>(2,475,635)</u>
Net current assets		<u>2,294,960</u>	<u>2,174,273</u>
Total assets less current liabilities		<u>58,319,298</u>	<u>57,401,701</u>
Net assets excluding pension liability		58,319,298	57,401,701
Pension scheme liability	26	<u>(7,799,000)</u>	<u>(9,115,000)</u>
Net assets including pension liability		<u>50,520,298</u>	<u>48,286,701</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		94,480	(88,667)
Restricted fixed asset fund		56,615,955	55,667,179
Restricted pension fund		<u>(7,799,000)</u>	<u>(9,115,000)</u>
		48,911,435	46,463,512
Unrestricted funds			
Unrestricted general fund		<u>1,608,863</u>	<u>1,823,189</u>
Total funds		<u>50,520,298</u>	<u>48,286,701</u>

The financial statements on pages 28 to 64 were approved by the Trustees, and authorised for issue on 11 December 2018 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 2018

	Note	2018 £	2017 £
Net cash inflow from operating activities	20	2,184,854	33,979,256
Cash transferred in from conversions/existing academies joining the trust		(155,197)	(434,478)
Returns on investments and servicing of finance	21	6,395	1,994
Capital expenditure and financial investment	22	<u>(1,437,141)</u>	<u>(32,909,244)</u>
Increase in cash in the year	23	<u>598,911</u>	<u>637,528</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

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

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

Basis of preparation

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

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

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

Going concern

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

Income

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 2018 (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

Freehold land

Long leasehold land

Freehold buildings

Long leasehold buildings

Building improvements

Computer equipment

Furniture and equipment

Motor vehicles

Depreciation method and rate

0%

Over the residual period of the 125 year lease

2% on a straight line basis

2% on a straight line basis

2% - 10% on a straight line basis

25% on a reducing balance basis

25% on a straight line basis

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 2018 (continued)

1 Accounting policies (continued)

Private finance initiative

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

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

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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 notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

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

Taxation

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

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Other voluntary income				
Educational trips and visits	120,659	-	120,659	78,713
Capital grants	-	677,829	677,829	497,937
Other donations	72,817	-	72,817	51,914
	<u>193,476</u>	<u>677,829</u>	<u>871,305</u>	<u>628,564</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2018 £	Total 2017 £
DfE/EFA revenue grants			
Start Up Grant	-	-	50,000
Pupil Premium	2,231,396	2,231,396	1,875,908
UFSM	554,391	554,391	461,022
Other ESFA Funding	388,547	388,547	288,892
General Annual Grant	<u>22,329,232</u>	<u>22,329,232</u>	<u>18,602,380</u>
	<u>25,503,566</u>	<u>25,503,566</u>	<u>21,278,202</u>
Other government grants			
Statement and Early Years Funding	1,695,244	1,695,244	1,147,717
Other Grants	31,187	31,187	76,780
Sponsorship Grant	-	-	95,000
Sponsorship Capacity Grant	<u>-</u>	<u>-</u>	<u>50,000</u>
	<u>1,726,431</u>	<u>1,726,431</u>	<u>1,369,497</u>
Non-government grants and other income			
Lottery Grant	10,000	10,000	19,145
Teaching School	45,000	45,000	-
Teaching School	<u>-</u>	<u>-</u>	<u>25,333</u>
	<u>55,000</u>	<u>55,000</u>	<u>44,478</u>
Total grants	<u>27,284,997</u>	<u>27,284,997</u>	<u>22,692,177</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	85,837	-	85,837	67,184
Catering income	107,371	-	107,371	48,818
Recharges and reimbursements	54,614	-	54,614	120,670
Other sales	854,579	426,447	1,281,026	1,383,799
	<u>1,102,401</u>	<u>426,447</u>	<u>1,528,848</u>	<u>1,620,471</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Bank Interest	<u>6,395</u>	<u>6,395</u>	<u>1,994</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
Academy's educational operations					
Direct costs	12,630,984	1,156,700	1,464,377	15,252,061	12,021,073
Allocated support costs	<u>9,741,424</u>	<u>2,585,689</u>	<u>3,828,347</u>	<u>16,155,460</u>	<u>14,286,726</u>
	<u>22,372,408</u>	<u>3,742,389</u>	<u>5,292,724</u>	<u>31,407,521</u>	<u>26,307,799</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

Net income/(expenditure) for the year includes:

Support staff costs	9,741,424	9,741,424	9,003,287
Depreciation	161,363	161,363	125,901
Technology costs	365,527	365,527	338,551
Premises costs	2,424,326	2,424,326	1,915,323
Other support costs	<u>3,462,820</u>	<u>3,462,820</u>	<u>2,903,664</u>
Total support costs	<u>16,155,460</u>	<u>16,155,460</u>	<u>14,286,726</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	16,241,323	13,885,192
Social security costs	1,412,268	1,203,300
Pension costs	3,735,766	3,050,002
Apprenticeship levy	66,036	14,927
	<u>21,455,393</u>	<u>18,153,421</u>
Supply staff costs	869,572	764,971
Staff restructuring costs	47,443	110,000
	<u>22,372,408</u>	<u>19,028,392</u>
	2018 £	2017 £
Staff restructuring costs comprise:		
Redundancy payments	1,061	80,124
Severance payments	46,382	29,876
	<u>47,443</u>	<u>110,000</u>

The staff restructuring costs are statutory and contractual.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £46,382 (2017: £Nil). Individually, the payments were:

Non-statutory payments £45,550 made on 31 January 2018

Non-statutory payments £832 made on 26 March 2018

Staff numbers

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

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	317	284
Administration and support	495	468
Management	4	4
	<u>816</u>	<u>756</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	6	4
£70,001 - £80,000	2	2
£90,001 - £100,000	4	3
£100,001 - £110,000	1	1
£120,001 - £130,000	2	1
£130,001 - £140,000	-	1
£140,001 - £150,000	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 £748,409 (2017: £579,929).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Central services

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

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

The academy trust charges for these services on the following basis:

- During this year the 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:

	2018 £
Bellfield Primary School	46,093
Collingwood Primary School	62,748
Dorchester Primary School	70,164
Eastfield Primary School	105,312
Gilberdyke Primary School	53,388
Longhill Primary School	78,384
The Marvell College	54,504
Pearson Primary School	50,520
Hull SCITT	49,996
Stockwell Primary School	67,260
Sutton Park Primary School	67,812
Thoresby Primary School	86,496
Wansbeck Primary School	57,156
Westcott Primary School	57,696
Wheeler Primary School	93,527
	<u>1,001,056</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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: £145,000 - £150,000 (2017 - £135,000 - £140,000)

Employer's pension contributions: £20,000 - £25,000 (2017 - £20,000 - £25,000)

Mrs M J Milner (Head Teacher):

Remuneration: (2017 - £5,000 - £10,000)

Employer's pension contributions: (2017 - £0 - £5,000)

Mrs K Beal (Head Teacher):

Remuneration: (2017 - £5,000 - £10,000)

Employer's pension contributions: (2017 - £0 - £5,000)

Mrs C Mudd (Head Teacher):

Remuneration: (2017 - £5,000 - £10,000)

Employer's pension contributions: (2017 - £0 - £5,000)

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 2018, travel and subsistence expenses totalling £Nil (2017 - £628) were reimbursed or paid directly to 0 Trustees (2017 - 2).

Other related party transactions involving the Trustees are set out in note 27.

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 2018 (continued)

12 Intangible fixed assets

	Intangible assets £	Total £
Cost		
At 1 September 2017	14,584	14,584
At 31 August 2018	14,584	14,584
Amortisation		
At 1 September 2017	6,481	6,481
Charge for the year	6,481	6,481
At 31 August 2018	12,962	12,962
Net book value		
At 31 August 2018	1,622	1,622
At 31 August 2017	8,103	8,103

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Leasehold improvements £	Motor vehicles £	Total £
Cost							
At 1 September 2017	27,695,860	26,633,887	191,359	529,613	1,550,038	-	56,600,757
Additions	-	-	146,811	132,512	425,658	14,613	719,594
Transfer from existing academy trust	-	1,395,376	-	-	-	-	1,395,376
At 31 August 2018	<u>27,695,860</u>	<u>28,029,263</u>	<u>338,170</u>	<u>662,125</u>	<u>1,975,696</u>	<u>14,613</u>	<u>58,715,727</u>
Depreciation							
At 1 September 2017	541,063	439,432	73,895	241,513	85,529	-	1,381,432
Charge for the year	<u>530,491</u>	<u>516,397</u>	<u>57,416</u>	<u>94,422</u>	<u>109,809</u>	<u>3,044</u>	<u>1,311,579</u>
At 31 August 2018	<u>1,071,554</u>	<u>955,829</u>	<u>131,311</u>	<u>335,935</u>	<u>195,338</u>	<u>3,044</u>	<u>2,693,011</u>
Net book value							
At 31 August 2018	<u>26,624,306</u>	<u>27,073,434</u>	<u>206,859</u>	<u>326,190</u>	<u>1,780,358</u>	<u>11,569</u>	<u>56,022,716</u>
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>-</u>	<u>55,219,325</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets (continued)

Included within leasehold land and buildings is £27,073,434 (2017: £26,194,455) relating to long leasehold land and buildings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 2018 (continued)

14 Stock

	2018 £
Uniform	<u>1,643</u>

15 Debtors

	2018 £	2017 £
Trade debtors	222,802	263,290
VAT recoverable	305,662	625,026
Other debtors	500	1,500
Prepayments	241,666	181,024
Accrued grant and other income	<u>423,442</u>	<u>421,735</u>
	<u>1,194,072</u>	<u>1,492,575</u>

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	989,604	984,629
Other taxation and social security	372,223	329,718
Other creditors	58,052	31,113
Accruals	450,841	497,807
Deferred income	443,789	324,001
Pension scheme creditor	<u>342,490</u>	<u>308,367</u>
	<u>2,656,999</u>	<u>2,475,635</u>
	2018 £	2017 £

Deferred income

Deferred income at 1 September 2017	324,001	314,280
Resources deferred in the period	443,789	324,001
Amounts released from previous periods	<u>(324,001)</u>	<u>(314,280)</u>
Deferred income at 31 August 2018	<u>443,789</u>	<u>324,001</u>

Deferred income relates to Universal Free School Meal funding received in July 2018 and rates relief claim funding received in advance for the period September 2018 to March 2019.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
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>
Restricted fixed asset funds					
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
Restricted pension funds					
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
Unrestricted funds					
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>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	749,700	40,956,722	(42,641,232)	1,029,290	94,480
Other Dfe/ESFA grants	-	677,439	(677,439)	-	-
UIFSM	-	1,015,413	(1,015,413)	-	-
Pupil Premium	-	4,107,304	(4,107,304)	-	-
Statement and Early Years Funding	-	2,842,961	(2,842,961)	-	-
Lottery Grant	-	29,145	(29,145)	-	-
Teaching School Grant	-	70,333	(70,333)	-	-
Top Slice income of academies pre HCAT	-	36,196	(36,196)	-	-
Other Government Grants	-	674,214	(671,211)	(3,003)	-
Other Grants	-	426,447	(295,514)	(130,933)	-
	<u>749,700</u>	<u>50,836,174</u>	<u>(52,386,748)</u>	<u>895,354</u>	<u>94,480</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	7,621,823	1,176,575	(678,050)	602,973	8,723,321
Transfer of Assets from existing academies into the Trust	5,789,657	6,332,312	(446,081)	-	11,675,888
Donated Assets from Local Authority	<u>9,475,350</u>	<u>28,132,920</u>	<u>(1,391,524)</u>	<u>-</u>	<u>36,216,746</u>
	22,886,830	35,641,807	(2,515,655)	602,973	56,615,955
Restricted pension funds					
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(7,830,000)</u>	<u>(2,453,000)</u>	<u>(1,745,000)</u>	<u>4,229,000</u>	<u>(7,799,000)</u>
Total restricted funds	15,806,530	84,024,981	(56,647,403)	5,727,327	48,911,435
Unrestricted funds					
Unrestricted general funds	<u>970,638</u>	<u>3,204,469</u>	<u>(1,067,917)</u>	<u>(1,498,327)</u>	<u>1,608,863</u>
Total funds	<u>16,777,168</u>	<u>87,229,450</u>	<u>(57,715,320)</u>	<u>4,229,000</u>	<u>50,520,298</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

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

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

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

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

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

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

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

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

Restricted Pension Funds represent the LGPS pension deficit.

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

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

During the year to 31 August 2017 a transfer from Restricted General Funds of £239,941 to Restricted Fixed Asset Funds is the result of General Annual Grant money being spent on capital.

As at 31 August 2017 the trust is carrying a net deficit of £88,667 on Restricted General Funds (excluding pension reserve) which is covered by the Unrestricted General Funds balance of £1,823,189.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 (including central service recharges of £1,001,056) were allocated as follows:

	Total £
Bellfield Primary School	95,555
Collingwood Primary School	75,846
Dorchester Primary School	468,501
Eastfield Primary School	128,274
Gilberdyke Primary School	42,552
Longhill Primary School	535,989
The Marvell College	208,666
Pearson Primary School	153,278
Hull SCITT	129,873
Stockwell Primary School	(7,505)
Sutton Park Primary School	(58,701)
Thoresby Primary School	(108,317)
Wansbeck Primary School	149,350
Westcott Primary School	37,613
Wheeler Primary School	140,545
Central services	<u>(288,176)</u>
Total before fixed assets and pension reserve	1,703,343
Capital grants and expenditure from GAG	56,615,955
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	<u>(7,799,000)</u>
Total	<u><u>50,520,298</u></u>

Stockwell Primary School is carrying a net deficit of £7,505 on these funds because:

There have been building improvements works by the addition of a mobile classroom during the year which has partly been finance through the Schools Condition Allocation and partly due to its own reserves.

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

Resources continue to be reviewed and evaluated and it is expected to return to a surplus in the next academic year.

Sutton Park Primary School is carrying a net deficit of £58,701 on these funds because:

Additional staffing resources are required for High Needs children that are not funded by the Local Authority.

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

The trust continues to review resources and challenge best value and whether any further economies of scale can be achieved. This is expected to take 3 years to return to a balanced budget.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Thoresby Primary School is carrying a net deficit of £108,317 on these funds because:

There have been continued planning school improvements including additional staffing resources.

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

Resources continue to be reviewed and evaluated and it is expected to take a couple of years to return to a balanced budget.

Central services is carrying a net deficit of £288,176 on these funds because:

There have been unplanned one-off costs being incurred in the year.

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

Action has been taken to return the Academy to a balanced budget in the next year.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £	Total 2017 £
Bellfield Primary School	484,816	398,828	55,279	229,880	1,168,803	1,095,354
Collingwood Primary School	779,762	522,820	176,913	300,308	1,779,803	1,453,269
Dorchester Primary School	833,517	748,073	26,712	347,942	1,956,244	1,863,293
Eastfield Primary School	1,200,125	877,898	96,900	634,037	2,808,960	2,606,609
Gilberdyke Primary School	606,173	346,567	37,314	222,416	1,212,470	238,771
Longhill Primary School	806,882	654,009	61,804	410,880	1,933,575	281,340
The Marvell College	2,129,255	1,756,314	252,748	2,403,168	6,541,482	6,232,236
Pearson Primary School	459,866	415,358	12,070	248,825	1,136,119	1,259,181
Hull SCITT	44,792	-	1,568	160,145	206,505	246,310
Stockwell Primary School	712,219	670,652	43,656	387,706	1,814,233	-
Sutton Park Primary School	882,407	578,795	24,721	457,355	1,943,278	1,893,107
Thoresby Primary School	1,018,280	712,954	78,938	421,498	2,231,670	2,216,233
Wansbeck Primary School	520,472	374,139	76,796	272,438	1,243,845	1,151,674
Westcott Primary School	579,795	292,903	4,525	238,006	1,115,229	1,044,569
Wheeler Primary School	982,049	1,130,818	115,496	433,358	2,661,721	2,521,023
Central services	590,574	261,296	159,959	324,748	1,336,577	1,177,445
Academy Trust	<u>12,630,984</u>	<u>9,741,424</u>	<u>1,225,399</u>	<u>7,492,710</u>	<u>31,090,514</u>	<u>25,280,414</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	1,622	1,622
Tangible fixed assets	-	-	56,022,716	56,022,716
Current assets	1,660,315	2,840,735	450,909	4,951,959
Current liabilities	-	(2,656,999)	-	(2,656,999)
Pension scheme liability	-	(7,799,000)	-	(7,799,000)
Total net assets	<u>1,660,315</u>	<u>(7,615,264)</u>	<u>56,475,247</u>	<u>50,520,298</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	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>

19 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	33,972	34,667
Amounts due between one and five years	<u>30,308</u>	<u>26,433</u>
	<u>64,280</u>	<u>61,100</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%):

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Commitments under operating leases (continued)

	2018	2017
	£	£
Amounts due within one year	1,133,099	1,121,547
Amounts due within one and five years	3,469,804	4,602,903
Amounts due over five years	17,680,520	17,680,520
	<u>22,283,423</u>	<u>23,404,970</u>

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

	2018	2017
	£	£
Net (expenditure)/income	(611,403)	30,125,537
Amortisation	6,481	4,861
Depreciation	1,311,579	1,022,524
Cash transferred in from conversions/existing academies joining the trust	155,197	434,478
Donated capital and capital grants	(677,829)	(497,937)
Interest receivable	(6,395)	(1,994)
FRS 102 net interest on defined benefit pension scheme	249,000	191,000
FRS 102 cost less contributions payable on defined benefit pension scheme	834,000	471,000
Decrease/(increase) in debtors	298,503	(729,830)
Increase in creditors	181,364	952,617
Inherited pension	446,000	2,007,000
(Increase) in stock	(1,643)	-
Net cash inflow from operating activities	<u>2,184,854</u>	<u>33,979,256</u>

21 Cash flows from financing activities

	2018	2017
	£	£
Investments	<u>6,395</u>	<u>1,994</u>
Net cash provided by financing activities	<u>6,395</u>	<u>1,994</u>

22 Cash flows from investing activities

	2018	2017
	£	£
Purchase of tangible fixed assets	(719,594)	(337,323)
Capital funding received from sponsors and others	677,829	497,937
Inherited assets	<u>(1,395,376)</u>	<u>(33,069,858)</u>
Net cash used in investing activities	<u>(1,437,141)</u>	<u>(32,909,244)</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	3,756,244	3,157,333
Total cash and cash equivalents	<u>3,756,244</u>	<u>3,157,333</u>

24 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.

25 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.

26 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 of Yorkshire Council. 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 £342,493 (2017 - £308,367) 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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 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%.

The TPS valuation for 2012 determined an employer rate of 16.48%, 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 £1,573,313 (2017: £1,331,436).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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 2018 was £1,600,000 (2017 - £1,482,000), of which employer's contributions totalled £1,301,000 (2017 - £1,239,000) and employees' contributions totalled £299,000 (2017 - £243,000). The agreed contribution rates for future years are 24.5 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

	2018 %	2017 %
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</u>

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

	2018	2017
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>
Sensitivity analysis		
	At 31 August 2018	At 31 August 2017
	£	£
Discount rate -0.5%	2,938,000	2,694,000
Salary rate +0.5%	593,000	605,000
Pension rate +0.5%	2,303,000	2,035,000
Mortality assumption - 1 year increase	<u>859,000</u>	<u>805,000</u>

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

	2018	2017
	£	£
Equities	9,843,000	7,811,000
Other bonds	1,777,000	1,432,000
Property	1,641,000	1,210,000
Cash and other liquid assets	<u>410,000</u>	<u>548,000</u>
Total market value of assets	<u>13,671,000</u>	<u>11,001,000</u>

The actual return on scheme assets was £818,000 (2017 - £933,000).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employers contributions)	834,000	471,000
Net interest cost	249,000	191,000
Total operating charge	<u>1,083,000</u>	<u>662,000</u>

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

	2018 £	2017 £
At start of period	20,116,000	14,656,000
Conversion of academy trusts	-	1,761,000
Transferred in on existing academies joining the trust	790,000	2,086,000
Current service cost	2,124,000	1,528,000
Interest cost	551,000	362,000
Employee contributions	299,000	243,000
Actuarial (gain)/loss	(2,329,000)	(635,000)
Benefits paid	(92,000)	(67,000)
Past service cost	11,000	182,000
At 31 August	<u>21,470,000</u>	<u>20,116,000</u>

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

	2018 £	2017 £
At start of period	11,001,000	6,826,000
Conversion of academy trusts	-	697,000
Transferred in on existing academies joining the trust	344,000	1,143,000
Interest income	302,000	171,000
Actuarial gain/(loss)	516,000	762,000
Employer contributions	1,301,000	1,239,000
Employee contributions	299,000	243,000
Benefits paid	(92,000)	(80,000)
At 31 August	<u>13,671,000</u>	<u>11,001,000</u>

27 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Related party transactions (continued)

Expenditure related party transactions

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

Hull Collaborative Teaching School

(A company in which E Macdonald is a Trustee)

During the year the Trust purchased services amounting to £72,199 (2017: £69,759) from Hull Collaborative Teaching School Limited.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

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

At the balance sheet date the amount due to Hull Collaborative Teaching School was £2,440 (2017 - £Nil).

Hull Centre for Restorative Practice

(A company in which E Macdonald is a Trustee)

During the year the Trust purchased services amounting to £21,308 (£13,454) from Hull Centre for Restorative Practice Limited.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

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

At the balance sheet date the amount due from Hull Centre for Restorative Practice was £1,260 (2017 - £635).

Wilson Education

(A company in which G Wilson is a Trustee)

During the year the Trust purchased services amounting to £580 (2017: £1,547).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due (to)/from Wilson Education was £Nil (2017 - £267).

Current Education Group Limited

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £nil (2017: £6,533) from Current Education Group Limited.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and Current Education Group Limited has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Current Education Group Limited was £Nil (2017 - £Nil).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Related party transactions (continued)

K Horne

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

J Hindson

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

C Macdonald

C Macdonald, daughter of E Macdonald, CEO, is employed by the academy trust as a teacher. C Macdonald received £1,648 (2017 - £nil) during the year as an employee of the Trust. C Macdonald is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Income related party transactions

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

Hull Collaborative Teaching School

(A company in which E Macdonald is a Trustee)

During the year the Trust recharged services amounting to £99,971 (2017: £50,734) to Hull Collaborative Teaching School Limited.

At the balance sheet date the amount due from Hull Collaborative Teaching School was £37,349 (2017: £9,885).

Hull Centre for Restorative Practice Limited

(A company in which E Macdonald is a Trustee)

During the year the Trust recharged services amounting to £nil (2017: £73) to Hull Center for Restorative Practice Limited.

At the balance sheet date the amount due from Hull Centre for Restorative Practice Limited was £nil (2017: £nil).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

28 Transfer of existing academies into the Trust

Stockwell Primary School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	1,395,376	1,395,376
Other assets		
Cash in bank and in hand	155,197	155,197
Pensions		
Pensions – pension scheme assets	(446,000)	(446,000)
Net assets	<u>1,104,573</u>	<u>1,104,573</u>
		£
Unrestricted Fund		129,278
Restricted general fund		(420,890)
Restricted fixed asset fund		1,396,185
Total funds		<u>1,104,573</u>