

Hull Collaborative Academy Trust
(A company limited by guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2022

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

Hull Collaborative Academy Trust

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Hull Collaborative Academy Trust

Reference and Administrative Details

Members

Mr G D Wilson
Mr N Richardson (resigned 6 January 2023)
Mr A Storr
Mr D Hall
Mrs E A Wilson (appointed 13 October 2021)
Mr C Huscroft (appointed 7 December 2021)

Trustees (Directors)

Mr G D Wilson (resigned 28 November 2022), (*) (National Leader of Governance)
Mrs E M Macdonald OBE, (*)
Mrs E A Wilson (National Leader of Governance) (resigned 27 September 2021)
Mrs C Hough, (*)
Mr M Mathias, (*) (#)
Mr C J Huscroft, (Chair) (*) (#)
Mrs P Winn, (#)
Mrs J Edwards, (*) (appointed 12 September 2021)
Mr P Lakin, (#) (appointed 12 September 2021 and resigned 17 March 2023)
Miss L Winn, (*) (appointed 12 September 2021 and resigned 7 February 2023)
Mrs C O'Connell (appointed 12 September 2021)
Miss L Cunningham (appointed 22 March 2022)
Miss A C Oxtoby (appointed 1 February 2023)
Mr N A Greenfield (appointed 1 February 2023)

(*) members of the finance and general purposes committee
(#) members of the audit committee

Hull Collaborative Academy Trust

Reference and Administrative Details (continued)

Company Secretary

Mr K Matchett (appointed 22 September 2022)

Mr T Horne (retired 22 February 2022)

Senior Management Team

Mrs E Macdonald, Chief Executive Officer/Founding Headteacher/Accounting Officer

Mrs K Beal, Deputy Chief Executive Officer/Founding Headteacher

Mrs K Beal, Acting Chief Financial Officer 1st March 2022 – 31st August 2022

Mrs C Mudd, Founding Headteacher

Mrs M Milner, Founding Headteacher

Mr D Marks, Head of School Improvement

Mrs V Nolan, Chief Financial Officer (resigned 28 February 2022)

Principal and Registered Office

Dorchester Primary School

Dorchester Road

Hull

HU7 6AH

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 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 15 primary academies, 1 secondary academy and an Initial Teachers' Training for pupils from nursery to 16 serving a catchment area in the Hull and Yorkshire region. Its academies have a roll of 6,263 in the school census of October 2020. The Trust expanded in the year, Malton Primary School joined 1st January 2022 increasing pupil numbers to 6,510.

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 Board 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. The charitable company is known as Hull Collaborative Academy Trust (HCAT).

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

The Academy Trust operations are:

- Bellfield Primary School (P)
- Collingwood Primary School (P)
- Dorchester Primary School (P)
- Eastfield Primary School (P)
- Gilberdyke Primary School (P)
- Longhill Primary School (P)
- Malton Primary School (P) – converted and joined the Trust from 1 January 2022
- Pearson Primary School (P)
- Hull SCITT (School Centred Initial Teacher Training) (T)
- Stockwell Primary Academy (P)
- Sutton Park Primary School (P)
- The Marvell College (S)
- Thoresby Primary School (P)
- Wansbeck Primary School (P)
- Westcott Primary School (P)
- Wheeler Primary School (P)
- Withernsea Primary School (P)

(P) = primary school

(S) = secondary school

(T) = teachers' training

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.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

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 Trust. The Academy Trust shall have the following Trustees being 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 who are employees of the Academy does not exceed one third of the total number of Trustees.

The CEO has chosen to formally be appointed a Trustee from 25 June 2020 to ensure certain committees are quorate. Prior to this date the CEO was 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.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided to new Trustees will depend on their existing experience and the Skills Audit to ensure that all essential skills are covered by the Board and training provided as required. All training needs are coordinated by the professional clerking service. All new Trustees will meet with the CEO and given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as a Trustee. As there are normally only one or two new Trustees a year, induction is specifically tailored to the individual.

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.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Organisational structure

There are four layers of corporate governance:

- The Members
- The Board of Trustees
- Senior Management Team
- Individual Academy Senior Leadership Teams

The aim of this structure is to ensure that decisions are made with appropriate involvement at the right level. The Members retain control over the direction of the Academy Trust and appointment of trustees.

The Trustees have responsibility for strategy and the oversight of the day-to-day management and operation of the Trust as carried out by the senior management team. The Trust has various Committees to support all obligations and responsibilities outlined in The Academy Trust Handbook. The Trustees are responsible for shaping general policy; setting an annual budget plan aligned to the agreed Trust priorities; monitoring the Trust by use of results and budgets; managing risk and providing assurance; capital expenditure; making major decisions about the Leadership of the Trust and Trust appointments.

The Senior Management Team is to provide day-to-day management of the Trust and includes the CEO and Founding Heads as well as the Head of the School Improvement and Chief Financial Officer. During the year the Chief Financial Officer resigned. The new Chief Financial Officer started on 1st September 2022. The CFO, along with the Trust Operations Manager, are responsible for the operational aspects of running the Trust including the authorisation of spending within agreed budgets and according to delegated authorities and the appointment of staff.

The Chief Executive Officer is the Accounting Officer.

School Stakeholder Groups are committees established by the Trustees to provide support and challenge in relation to defined aspects of the work of the secondary school and the SCITT.

Parent / community engagement events are held twice-yearly to capture the views of parents and key community representatives.

The Headteachers' Partnership Board provides feedback on Trust policies.

The HCAT School Council is a means of seeking the views of pupils / students.

The specific roles of members, trustees, school stakeholder groups and headteachers are defined in the Scheme of Delegation. The responsibilities of Trust committees, the Headteachers' Partnership board and HCAT School Council are set out in the Committee Terms of Reference.

As the Trust continues to evolve and to ensure that the committees are fit for purpose the Trustees have operated seven committees for 2021/22. These committees have Trustees (with appropriate skills) as voting members.

- Audit & Risk Assurance
- Business Development
- Capital Allocations
- Finance
- Operations
- Pay
- School Improvement

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel identified within the Trust are the Senior Leadership Team as referenced on page 2. The Trust has established a pay committee comprising of Trustees who are not employees of the Trust to determine the pay ranges for these key positions, in line with any national guidance on executive salary setting, level of responsibility, local context and challenge, any available benchmarking information and current market conditions for competitive recruitment. This includes making decisions in relation to Headteachers' pay. Benchmarking is undertaken annually against local and similar sized Trusts.

Performance management of all the Headteachers' is undertaken by an external, independent moderator who provides recommendations for the pay committee and includes a review of the annual objectives. This is to ensure transparency and impartiality. This independent moderation is made by the CEO of the South Pennines Academies Trust.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (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%	-
0	-
51%-99%	-
100%	1

Percentage of pay bill spent on facility time

	2022
Provide the total cost of facility time	29,321
Provide the total pay bill	31,692,767

Paid trade union activities

	2022
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	0.09%

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 2022 (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. The Trust continues to work with all potential feeder primary schools in the local area.

Trustees are drawn from the local community, and from time to time it is possible that the Trust will enter transactions with organisations in which a Trustee has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Trust on a regular basis to ensure that all such transactions are in line with the Academy Trust Handbook guidelines.

These partnerships include:

Hull SCITT (School Centred Initial Teacher Training)

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

Hull Centre for Restorative Practice

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

Hull and East Riding Local Authorities

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

Hull Collaborative Teaching School (HCTS)

The Trust is in partnership with NCCAT to provide this local training and works with over 60 schools to provide high quality training and support for their needs. HCTS provided NQT and RQT training for the Trust and other schools in the area. Some resources of HCTS have been absorbed by the Vantage Teaching School Hub.

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 on several local, regional, and national initiatives. St Mary's College had executive leadership over The Marvell College since 2013 which was judged 'Good' during its last Ofsted inspection. This leadership overview ceased on 31 August 2021.

Edukos Trust (was Swanland Education Trust)

The CEO is a Trustee of HCAT, and our CEO is a Trustee of Edukos Trust.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust continues to develop its relationships with key suppliers. The Trust maintains a list of contracts and a full list of suppliers in our financial system.

It is important that our business relationships are beneficial to both sides and lines of communication are maintained to maximise the value to the organisation. Time spent with suppliers can help to increase the use of their service whilst ensuring for example purchased software is further developed for the advantage of the Trust.

The local community is a beneficiary of the Trust, please refer to the Public Benefit section of the Trustee Report on page 11 for more details. The Trust's impact on the environment is referred to in the Streamlined Energy and Carbon Reporting section on pages 22 to 23 and our commitment to maintain the Trust's reputation for high standards can be seen throughout the Trustees' report.

Engagement with employees (including disabled persons)

Our employees are our greatest assets, and the Trust invests a significant proportion of our resources in developing this resource. With Children First our staff are our first line in delivering the Trust vision.

Our SCITT brings in new teachers into the Trust and we encourage our staff to continue to develop throughout their careers.

The Trust holds a Trust conference for all teaching staff annually to start the year. This is an opportunity for the key themes for the Trust to be cascaded and a check in at the start of a new academic year.

We continue to utilise the HCAT Shared space (Office365) across all schools, accessed via our website, which contains latest news and provides access to several resources for staff. Alongside Zoom/Teams which are still utilised for meetings when necessary.

The Trust formed a wellbeing group during 2019/20 with the objective of helping all our staff and ensuring the wellbeing of our staff. We have circulated several wellbeing surveys to better understand the concerns of our staff and plan ways of supporting them. We encourage our staff to undertake training and actively seek opportunities to utilise the apprenticeship levy.

Hull Collaborative Academy Trust is committed to the equality of opportunity for all employees (including those with a disability) from recruitment, 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.

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. 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

Trustees' Report for the Year Ended 31 August 2022 (continued)

Objectives and activities

Objectives and aims

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

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

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

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

- Restorative Behaviours
- Academic Readiness
- Character Building
- Socially and Emotionally secure
- Wider experiences

Objectives, strategies and activities

Hull Collaborative Academy Trust was formed to provide the best possible education for Children in Hull and Yorkshire. It also intends to provide a local solution to sponsorship so schools in difficulty can access a local sponsor. There is a high focus on developing quality teachers for the city and developing staff and leaders through the Trusts Hull SCITT with around 30 teachers being trained per year.

As an approved sponsor of schools, the Trust looks to support and improve schools as part of the Trust ethos. 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 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 allow 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.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Shared resources across the Trust in terms of staffing and contracts also benefit all schools. The School Improvement team is at the core of the Trust's plans. They have helped schools maintain a line of sight on continuing school improvement through curriculum development training linked to changing national agenda such as validated phonic schemes.

All the Senior Leadership Team support the Trust and schools as ongoing, sustainable, businesses ensuring all schools have access to expertise that normally would be beyond the reach of an individual school.

Centralisation of certain key services in relation to finance, HR, payroll, IT, and capital projects including procurement are firmly established and have seen major improvements to service quality, financial control, and viability.

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

The Trust Board and its Committees must meet regularly enough to discharge their responsibilities under their Articles of Association, Funding Agreement, and the Academy Trust Handbook, to ensure robust governance and effective financial management arrangements. Board meetings take place at least three times a year and Finance Committee meets at least six times a year, with the Audit Committee meeting three times a year. Business is only conducted when the Board or Committee is quorate.

The Strategic Business Manager (replaced by the Trust Operation Manager 1st September 2022) and Chief Financial Officer supported the Trust and schools as ongoing, sustainable, businesses. In addition, central staff such as the Trust Emotional Wellbeing Lead, Safeguarding Lead, Human Resources, Payroll, Health & Safety and Estates Team ensures all schools have access to expertise that normally would be beyond the reach of an individual school.

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 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Strategic Report

Achievements and performance

Ofsted Inspections:

The trust received 5 inspections by OFSTED during the academic year 21-22

Gilberdyke Primary received its first inspection as an academy following its conversion to the trust.
Previous inspection outcome – Inadequate

September 21 Inspection outcomes

Overall judgement	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership and management	EYFS
Requires Improvement	Requires Improvement	Good	Good	Good	Good

Collingwood Primary received its first inspection since joining the trust.
Previous inspection outcome - Outstanding

November 21 Inspection outcomes

Overall judgement	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership and management	EYFS
Requires Improvement	Requires Improvement	Good	Good	Good	Requires Improvement

Wheeler Primary received its second inspection since joining the academy trust in November 2021
Previous inspection outcome – Good

November 21 Inspection outcomes

Overall judgement	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership and management	EYFS
Good	Good	Good	Good	Good	Good

Longhill Primary received its first inspection since joining the trust.
Previous inspection outcome – Good

November 21 Inspection outcomes

Overall judgement	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership and management	EYFS
Good	Good	Good	Good	Good	Good

Pearson Primary received its second inspection since joining the academy trust.
Previous inspection outcome – Good

June 22 Inspection outcomes

Overall judgement	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership and management	EYFS
Good	Good	Outstanding	Outstanding	Good	Outstanding

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Pupils numbers

These continue to grow across the Trust.

	Census Autumn 2021	Census Autumn 2020
Bellfield	242	214
Collingwood	313	297
Dorchester	313	290
Eastfield	627	627
Gilberdyke	224	212
Longhill	382	356
Pearson	205	195
Stockwell	372	342
Sutton Park	386	349
The Marvell College	1,185	1,183
Thoresby	533	497
Wansbeck	242	220
Westcott	303	303
Wheeler	430	403
Withernsea	506	486
	<u>6,263</u>	<u>5,974</u>

Key financial performance indicators

Outcomes

Outcomes at The Marvell College have continued to improve over time despite the impact of COVID on the school and its community.

Measure	2019 (Actual)	2020 (CAG)	2021 (TAG)	2022 (Actual)
Progress 8	-0.20	0.08	0.18	0.07 (0.10)
Attainment 8	40.85	43.94	44.18	45.09 (45.42)

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Year 1 Phonics Screening

Year 1 Phonics pass

2022 PHONICS including score breakdown										
	Number of Pupils	Pass %	Pass % Boys	Pass % Girls	Pass % Disadvantage	0-7	8-15	16-23	24-31	32+
Bellfield	30	90	81	100	75	1	0	0	2	27
Collingwood	45	76	76	75	69	7	0	2	2	34
Dorchester	36	89	89	89	89	3	0	0	1	32
Eastfield	88	84	77	93	38	5	3	2	4	73
Pearson	28	82	75	92	91	3	0	1	1	23
Sutton Park	45	84	88	81	88	3	3	0	1	38
Thoresby	73	84	82	86	73	5	2	4	1	28
Wansbeck	34	71	59	82	69	1	4	4	1	24
Wheeler	61	75	63	85	58	3	6	6	7	46
Westcott	37	87	89	82	67	1	0	1	3	32
Gilberdyke	35	91	82	100	56	2	0	0	0	32
Longhill	51	77	81	75	61	5	4	2	0	40
Stockwell	53	85	76	93	81	3	3	2	0	45
Withernsea	71	77	78	79	73	5	5	3	3	55
Malton	23	78	77	78	50	0	2	3	0	18
National		81								

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Key Stage 1 Attainment

Phonics 2019 (Pre COVID) vs 2022 (Post Covid)

	2019 Pass %	2022 Pass %	Difference +/-
Bellfield	81	90	+9
Collingwood	72	76	+4
Dorchester	79	89	+10
Eastfield	80	84	+4
Pearson	90	82	-8
Sutton Park	81	84	+3
Thoresby	82	84	+2
Wansbeck	77	71	-6
Wheeler	66	75	+9
Westcott	90	87	-3
Gilberdyke	86	91	+5
Longhill	72	77	+5
Stockwell	71	85	+14
Withernsea	38	77	+39
Malton	89	78	-11
National	81	81	

	Reading		Writing		Maths	
	EX+	GD	EX+	GD	EX+	GD
Bellfield	79	16	73	16	73	16
Collingwood	66	2	50	2	66	0
Dorchester	76	26	72	15	72	18
Eastfield	78	26	70	12	76	22
Pearson	67	20	60	17	70	20
Sutton Park	76	22	68	16	76	16
Thoresby	77	36	74	17	78	28
Wansbeck	74	13	69	5	71	5
Wheeler	67	16	42	9	64	15
Westcott	77	23	69	21	77	18
Gilberdyke	73	24	67	9	79	12
Longhill	80	19	74	13	80	20
Stockwell	59	14	56	6	65	14
Withernsea	54	11	43	2	51	5
Malton	72	31	76	21	66	21
National 2019	75	25	69	15	76	22

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Key Stage 2 SATs

School	Reading attainment	Reading Progress	RAG	Writing attainment	Writing Progress	RAG	Maths attainment	Maths Progress	RAG
Bellfield	77	-0.73		84	+1.85		77	-1.14	
Collingwood	74	+0.04		67	+0.82		82	+1.33	
Dorchester	53	-1.03		65	+0.68		63	+0.73	
Eastfield	91	+3.01		89	+3.29		93	+3.88	
Gilberdyke	83	+1.83		83	+2.46		80	+1.79	
Longhill	86	+2.15		84	+5.87		88	+2.55	
Pearson	82	+0.69		80	+3.77		97	+3.72	
Stockwell	49	-3.73		63	+2.02		49	-2.73	
Sutton Park	83	-0.30		75	+0.24		81	+2.83	
Thoresby	80	+1.31		82	+2.02		85	+2.13	
Wansbeck	76	+3.80		73	+3.58		73	+2.90	
Westcott	83	+3.10		85	+4.51		80	+2.63	
Wheeler	69	+0.76		82	+5.31		58	-0.08	
Withernsea	53	-1.41		51	-1.43		48	-1.46	

Well below	Below	Average	Above average	Well Above average

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The Trustees consider that the Trust is a going concern. The 3 - 5 year forecasts have been considered by the Board. Most academies presented a balanced budget for the upcoming financial year 2022/2023. For those which were unable to balance their budget the Board has assessed the individual circumstances causing the negative position and is assured of the measures in place to mitigate any forecasted deficits and that the cumulative impact can be managed by the Trust without materially impacting on its financial stability. The Trust is careful to include contingencies in the budget process including pay increases, pay increments, pension contributions and inflation.

The Trust continue to review all its service level agreements as they expire and consider better value by working with suppliers to consolidate accounts and achieve economies of scale and better value for money. The Trust operates effectively within its finance policy and scheme of delegation ensuring no unnecessary expenditure is incurred. Working budgets are maintained and updated regularly including monthly to the financial system for comparison. Any variances are investigated as they arise and monthly management accounts are discussed with the Trustees. The Trust pools its reserves in order to protect its activities by providing a financial comfort against an unpredictable environment and to ensure sufficient provision for future capital procurement and to safeguard future cash flow requirements. The Trust's level of reserves is predicted to increase over the next three years to provide more robust comfort levels, having experienced a dip in reserves in recent years. Cash flow is not considered an issue.

Promoting the success of the Academy Trust

HCAT is a successful Trust. The majority of schools in the Trust have been judged by Ofsted to be good or above. When a school does not meet this judgement it receives focused support from the Trust's highly skilled School Improvement Team until it is judged good or above again.

Our results in Primary schools have ensured we are at the top of progress for our children including those who are disadvantaged. Our results and reputation ensure that our schools remain popular, and the Restorative culture ensures children and families would recommend HCAT schools to others. This also means we can attract the best staff and retention of staff is high.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

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 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2022 total expenditure of £45,900,232 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £40,879,358 (excluding capital grants and transfer of funds inherited on conversion). The excess of expenditure over income (excluding capital grants and transfer of funds inherited on conversion) for the period was £5,020,874. This excess includes depreciation and amortisation charges, accounting adjustments in relation to tangible fixed assets, of £2,014,597 and FRS 102 pension cost adjustments, in relation to the LGPS liability of £3,762,000. If the depreciation charges and FRS 102 pension cost adjustments were added back to the excess figure of £5,020,874, the Trust made a surplus of £755,723.

At 31 August 2022 the net book value of fixed assets was £65,065,438 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 £5,347,000.

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

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Reserves policy

The Trustees regularly review the reserve levels of the Trust. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have reviewed the Trust's income and expenditure and the future cashflows, requiring a minimum cash balance of £2,000,000 to minimise the financial risk of the Trust being unable to pay the debts as they fall due, and to maximise the educational benefit of the Trust funding and other income.

In May 2022 the Board approved a decision to move to reserve pooling for the Trust. The decision was based upon the need for the Trust to be able to manage its risk profile effectively whilst also introducing a system which better reflected the true legal status of all funds.

For the presentational purposes each school has been allocated a notional sum of £15,000 with the core balance of reserves sitting centrally.

A breakdown of the funds at 31 August 2022 is as follows:

	£
Unrestricted general fund	2,126,926
Restricted general fund	-
Restricted fixed asset fund	64,898,087
Restricted pension fund	(5,347,000)
Total funds	<u>61,678,013</u>

The Trust is carrying a net deficit of £5,347,000 (2021: £27,408,000) on the pension reserve deficit due to future pension liabilities exceeding the current value of assets held. Over time this will be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the East Riding Pension Fund, which includes an element to address the deficit position.

Investment policy

The Trust currently invests its 'surplus' cash in treasury deposits for a maximum of 42 days.

Principal risks and uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable level 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 the Trust's 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 for the Trust for the year 2021/22, and up to the date of approval of the annual report and financial statements.

Key risks:

The Trust view risk management as an integral part of good corporate governance and consider the key risks most likely to arise in the following areas:

- Safeguarding pupils, employees, and all other persons to whom the Trust has a duty of care
- Maintaining effective control of public funds and maintaining cost base in response to increasing teacher pay and pension rates with no certainty of central funding
- Protecting property including buildings, equipment, vehicles and all other assets and resources
- Compliance with statutory obligations, policy, and financial procedures
- Maintaining the positive reputation of the Trust
- The age of the estate and the capital investment required in the future compared to the capital grant funding received through government funding (School Condition Allocation)
- Declining primary admissions
- Succession planning for key senior leadership posts
- Increased numbers of children new to the country in four inner city schools which aren't immediately eligible for funding are putting a strain on resources.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Managing risks:

To effectively manage these risks, the Board and Audit Committee are accountable for overseeing the implementation of the Risk Management Plan. This is done by;

- The Audit Committee meets three times a year.
- The Accounting Officer is responsible for embedding a culture of risk management across the Trust that encourages the identification and management of risk, reporting regularly to the Audit Committee on regularity, propriety, and value for money.
- Providing an internal scrutiny programme and framework for recording, reviewing, and reporting on potential risks and associated actions with follow up mechanism in place. The framework is traffic lighted to identify the level of risk.
- Use of external reviewers for internal scrutiny complying with the Academy Trust Handbook.
- Reinforcing the importance of effective risk management by offering training, good practice, and other support.

Strategic risks are identified and recorded in the Trust's Risk Register and graded as high, medium, or low using the traffic light system. These risks are reviewed regularly, and the Trustees assess the major risks and uncertainties to which the Trust is exposed. The 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. We are Every has continued to be used during the period for its extensive online training package.

The Trust's principal risks and uncertainties concern the future funding of education, the funding for High Needs and the impact all of these will have on the Trust's finances.

Financial and risk management objectives and policies

The Trust has basic financial instruments. These are bank balances, trade debtors, other debtors, accrued income, trade creditors and accruals. These arise through the normal trading activities of the Trust. The Trustees have assessed and implemented several systems to assess and mitigate risks that the Trust faces, especially in operational areas – specifically in relation to teaching, HR management and financial control. We have introduced systems, including operational procedures and internal financial controls to minimise risk. Where significant financial risks remain, they have reviewed insurance cover to ensure adequate. The Trust has an effective system of internal financial controls. Key risks have been identified below:

- Staff recruitment and retention: pro-active use of Schools Direct programmes in secondary and the continued development and training of our future teachers using the SCITT is central to ensuring the Trust maintains high quality flow of new staff. Expansion of the Trust creates further opportunities, and our CPD and internal development programme means that we continue to train and nurture our future leaders.
- Pupil numbers: there are concerns about the decline in primary school numbers on roll due to the local housing strategy and the general demographic.
- Age of the estate: HCAT is an established trust and receives annual guaranteed capital funding through the Schools Condition Allocation of approximately £800,000. This helps with the planning for the asset management of the Trust estate; however, we have some significant aging buildings that require significant investment.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

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 changed its budgeting software (IMP) in 2019/20 to develop longer term planning and forecast of financial risk. The Trust continues to use and develop We Are Every, which is a risk and compliance management system. Over 95% of Staff have completed Fire Awareness in Education and GDPR Essentials.

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 and with oversight from the Trusts Audit Committee.

Fundraising

The Trust undertakes limited fundraising activities throughout the school year. 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. There have been no complaints about fundraising activity this year.

Some of our primary schools have active Parent Teacher Associations which follow national guidelines.

Furthermore, each Academy within the Trust is encouraged to fundraise for approved good causes.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 01 September 2020 to 31 August 2022	2022	2021
Energy consumption used to calculate emissions (kWh)	7,271,000	8,336,000
Energy consumption break down (kWh)		
Gas	4,197,367	5,345,365
Electricity	2,346,013	2,130,413
Transport fuel	35,105	19,343
Biomass	692,908	840,879
Scope 1 emissions in metric tonnes CO2e		
Owned transport - mini-buses	1.90	1.30
Gas consumption	766.20	979.10
Total scope 1	768.10	980.40
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	453.70	452.40
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	6.80	3.40
Total gross emissions in metric tonnes CO2e	1,228.60	1436.20
Intensity ratio		
Tonnes CO2e per pupil	0.29	0.24

Quantification and Reporting Methodology:

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and biomass consumption were compiled from invoice records. Transport usage was calculated from fuel purchase records for minibuses and mileage expense claims for grey fleet. Generally gross calorific values were used except for grey fleet mileage and biomass energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur because of Trust activities (scope 3).

Intensity measurement

Two intensity ratios are reported showing emissions (tCO2e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

Hull Collaborative Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Measures taken to improve energy efficiency

The Trust continued to monitor energy use closely at each of the schools this year and have been working with suppliers to improving metering arrangements. This will assist with identifying opportunities for improvement going forward. When approving capital expenditure, the Trust board considers energy efficiency reports as well as opportunities to decarbonise plant equipment as part of it due diligence.

Plans for future periods

The key aims and objectives set for the next reporting period remain the same as those stated in this report. A full review of the finance function with a view to modernising the team to better support the Trust and its development. This will strengthen internal control procedures and our centralised procurement function improving our buying power. The main financial challenges are increased pay and pension costs, the age of our school estate and declining admissions in the primary phase.

In response to the Governments white paper on academies this year the Trust is currently undergoing some internal assessments with regards to structure and capacity. The intention is to formalise this into a growth strategy which will see more schools join the trust in coming years. The main goals are to expand secondary and to build a hub in the Malton area.

The expectation is that Hull Collaborative Academy Trust will continue to grow in school numbers during 2022/23 and beyond, as the Governments academisation programme continues, this growth will be managed and sustainable and consider the school improvement capacity of the Trust. We are looking (at the Direction of the Regional Director) at schools further afield than the East Riding but within collaboration distance.

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.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 28th March 2023 and signed on its behalf by:



Mr C J Huscroft
Trustee

Hull Collaborative Academy Trust

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Mrs E M Macdonald OBE, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hull Collaborative Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees was to formally meet 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Mathias	4	4
Mrs E A Wilson	0	1
Mrs C Hough	0	4
Mr C J Huscroft	4	4
Mr G D Wilson	4	4
Mrs P Winn	4	4
Mrs E M Macdonald OBE	4	4
Mrs J Edwards	3	4
Mr P Larkin	3	4
Mrs C O'Connell	3	4
Mrs L Winn	2	4
Miss L Cunningham	1	1

Effective oversight of funds

Whilst the full board meets less than six times a year, the Trustees sit on various delegated committees which meet more regularly including Audit & Risk Assurance, Finance, Capital Allocations, Business Development, Pay, School Improvement and Operations. All these committees report to the full board, and Trustees are drawn from the full board to sit on these committees. We also issue management accounts monthly to all the Trustees to ensure oversight is maintained.

Conflict of Interest

The Trust, in line with DfE expectations, requires all Trustees and members of the Executive Team to complete registers of interest at the beginning of each academic year. There is an opportunity at the beginning of each Board and sub committee meetings for trustees to update their information and remove themselves from any discussion they feel is appropriate.

The registers of interest are collated and used by the finance team to highlight potential contracts which may fall under the Related Party Transaction rules.

Risk registers are completed and maintained at a school level as well as within the core central services, such as Finance and Estates. These are used to identify and mitigate risk at an operation level. The key risks are then identified and added to the strategic risk register which is reviewed by Trustees.

Hull Collaborative Academy Trust

Governance Statement (continued)

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

Trustee	Meetings attended	Out of a possible
Mr G D Wilson	3	6
Mrs C Hough	3	3
Mr C J Huscroft	6	6
Mrs E M Macdonald OBE	2	2
Mr M Mathias	1	1
Mrs J Edwards	1	5
Miss L Winn	1	1

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

Trustee	Meetings attended	Out of a possible
Mr M Mathias	2	3
Mr C J Huscroft	2	3
Mrs P Winn	3	3
Mrs E M Macdonald OBE	3	3
Mr P Larkin	2	3

Review of value for money

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

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

- During the year the Trustees allocated £846,000 to capital projects to maintain and improve the estate and the teaching environment. All projects were delivered to the original specification or better whilst achieving a significant underspend of £163,000. This will be added to the allocation for 2022/23 allowing the trust to deliver more projects in the academic year.

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 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Southgates Chartered Certified Accountant. This is the continuation of an existing contract with the Internal Auditors who have an established relationship with and understanding of the Trust and who have a wide breadth of experience and knowledge in educational finance.

Hull Collaborative Academy Trust

Governance Statement (continued)

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Due to the internal auditor assisting the Trust with other financial areas the Trust has not had a large amount of internal scrutiny work carried out during the year.

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

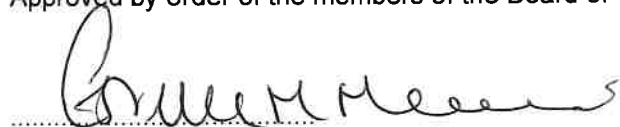
Review of effectiveness

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


- the work of Southgates Education as internal auditor and the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the senior management team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

During the year the Trust underwent a Governance Review by the DfE. The findings of the report have been shared with senior management and the Trust has put in place a response to all the finding. In the main the Trust has spent significant time reviewing and formulating a new business plan which will be used to monitor and report on all strategic activities to the Board.

Approved by order of the members of the Board of Trustees on 28th March 2023 and signed on its behalf by:



Mrs E M Macdonald OBE
Trustee



Mr C J Huscroft
Trustee

Hull Collaborative Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Hull Collaborative Academy Trust I have considered my responsibility to notify the academy Trust Board of Trustees and the Education and 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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

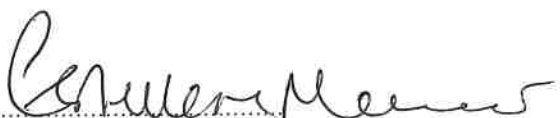
I confirm that the following instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

- **Financial issues;**

1. There was a transaction relating to the CEO travelling to America for an Apple leadership conference with other Multi Academy Trust CEOs. The expenditure was for the CEO's Premium Economy flights at a cost of £1,021, with other costs being incurred for travel to and from the airport as well as an overnight stay at the departure airport. This is a regularity issue identified, as the upgrade flight costs could be seen as excessive and unnecessary expenditure and may not be in line with the Trust achieving best value for money.

- **Non-financial issues;**

1. Monthly management accounts were not prepared/shared with the Chair on a monthly basis (and other Trustees six times a year) for a period of eight months of the year due to the Trust not having a CFO in place during this time.
2. Detailed internal scrutiny work was not carried out during the year, as prescribed in the Academy Trust Handbook.



Mrs E M Macdonald OBE
Accounting officer

28th March 2023

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 2019 and the Academies Accounts Direction 2021 to 2022 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 28th March 2023 and signed on its behalf by:



Mrs E M Macdonald OBE
Trustee



Mr C J Huscroft
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 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, 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 2019 and the Academies Accounts Direction 2021 to 2022 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 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Other information includes the Trustees' report (incorporating the Strategic Report and the Directors' Report), the Governance Statement, and the Accounting Officer's Statement. 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 30], 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Hull Collaborative Academy Trust

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

Using our knowledge of the charitable company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities SORP 2019, the Academy Trust Handbook 2021 to 2022 issued by the ESFA, the Academies Accounts Direction 2022 issued by the ESFA and UK Tax legislation. We assessed the susceptibility of the company's financial statements to material misstatement by considering the controls the company has established to address risks identified and how the directors monitor these controls and by evaluating the opportunity to commit fraud.

Our audit procedures included the following;

- testing management override controls including journal testing and reviewing accounting estimates for reasonableness
- enquiries of management and the company's solicitors of actual and potential litigation claims
- reviewing legal and professional fees for any potential litigation claims
- identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income and review to ensure correct matching revenue and costs
- testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.
- 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.

Hull Collaborative Academy Trust

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

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 Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Forrester Boyd Robson Limited

Michael Beckett BA FCA (Senior Statutory Auditor)

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

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: 29/3/2023

Hull Collaborative Academy Trust

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

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hull Collaborative Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Hull Collaborative Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hull Collaborative Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 27 June 2013 and the Academy Trust Handbook extant from 1 September 2021, 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 2021 to 2022 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

Hull Collaborative Academy Trust

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

Conclusion

In the course of our work, (except for the matters listed below) nothing has come to our attention, which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- **Financial issues;**

1. There was a transaction relating to the CEO travelling to America for an Apple leadership conference with other Multi Academy Trust CEOs. The expenditure was for the CEO's Premium Economy flights at a cost of £1,021, with other costs being incurred for travel to and from the airport as well as an overnight stay at the departure airport. This is a regularity issue identified, as the upgrade flight costs could be seen as excessive and unnecessary expenditure and may not be in line with the Trust achieving best value for money.

- **Non-financial issues;**

1. Monthly management accounts were not prepared/shared with the Chair on a monthly basis (and other Trustees six times a year) for a period of eight months of the year due to the Trust not having a CFO in place during this time.
2. Detailed internal scrutiny work was not carried out during the year, as prescribed in the Academy Trust Handbook.

Forrester Boyd Robson Limited

Michael Beckett BA FCA

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

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: 29/3/2023

Hull Collaborative Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
Income and endowments from:					
Donations and capital grants	2	252,427	-	934,722	1,187,149
Other trading activities	4	1,857,844	208,822	-	2,066,666
Investments	5	8,012	-	-	8,012
<i>Charitable activities:</i>					
Funds inherited on conversion	30	64,139	(316,000)	3,505,000	3,253,139
Funding for the Academy Trust's educational operations	3	-	38,552,253	-	38,552,253
Total		2,182,422	38,445,075	4,439,722	45,067,219
Expenditure on:					
<i>Charitable activities:</i>					
Academy Trust educational operations	7	1,326,907	42,523,075	2,050,250	45,900,232
Net income/(expenditure)		855,515	(4,078,000)	2,389,472	(833,013)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	28	-	26,139,000	-	26,139,000
Net movement in (deficit)/funds		855,515	22,061,000	2,389,472	25,305,987
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		1,271,411	(27,408,000)	62,508,615	36,372,026
Total funds/(deficit) carried forward at 31 August 2022		2,126,926	(5,347,000)	64,898,087	61,678,013

Hull Collaborative Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account) (RESTATED)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 (restated) £
Income and endowments from:					
Donations and capital grants	2	78,246	-	6,058,502	6,136,748
Other trading activities	4	1,609,939	343,413	-	1,953,352
Investments	5	504	-	-	504
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	36,174,895	-	36,174,895
Total		1,688,689	36,518,308	6,058,502	44,265,499
Expenditure on:					
<i>Charitable activities:</i>					
Academy Trust educational operations	7	1,562,317	38,881,308	1,808,990	42,252,615
Net income/(expenditure)		126,372	(2,363,000)	4,249,512	2,012,884
Other recognised gains and losses					
Profit/(loss) of disposal of tangible fixed assets		-	-	(1,572,593)	(1,572,593)
Actuarial gains on defined benefit pension schemes	28	-	(5,672,000)	-	(5,672,000)
Net movement in deficit		126,372	(8,035,000)	2,676,919	(5,231,709)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		1,145,039	(19,373,000)	59,831,696	41,603,735
Total funds/(deficit) carried forward at 31 August 2021		1,271,411	(27,408,000)	62,508,615	36,372,026

Hull Collaborative Academy Trust

(Registration number: 08542806)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 (restated) £
Fixed assets			
Intangible assets	12	1,695	3,387
Tangible assets	13	65,063,743	62,724,896
		<u>65,065,438</u>	<u>62,728,283</u>
Current assets			
Debtors	14	1,960,819	1,326,721
Cash at bank and in hand		3,715,419	3,683,665
		<u>5,676,238</u>	<u>5,010,386</u>
Creditors: Amounts falling due within one year	15	(3,716,663)	(3,958,643)
Net current assets		<u>1,959,575</u>	<u>1,051,743</u>
Total assets less current liabilities		<u>67,025,013</u>	<u>63,780,026</u>
Net assets excluding pension liability		67,025,013	63,780,026
Pension scheme liability	28	(5,347,000)	(27,408,000)
Net assets including pension liability		<u>61,678,013</u>	<u>36,372,026</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	-
Restricted fixed asset fund		64,898,087	62,508,615
Restricted pension fund		(5,347,000)	(27,408,000)
		<u>59,551,087</u>	<u>35,100,615</u>
Unrestricted funds			
Unrestricted general fund		2,126,926	1,271,411
Total funds		<u>61,678,013</u>	<u>36,372,026</u>

The financial statements on pages 37 to 69 were approved by the Trustees, and authorised for issue on 28th March 2023 and signed on their behalf by:


Mr C J Huscroft
Trustee

Hull Collaborative Academy Trust

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Net cash inflow/(outflow) from operating activities	21	3,440,772	5,802,616
Returns on investments and servicing of finance	22	8,012	504
Capital expenditure and financial investment	23	<u>(3,417,030)</u>	<u>(5,534,152)</u>
Increase/(decrease) in cash in the year	25	<u>31,754</u>	<u>268,968</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

General information

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

The address of its registered office is:
Dorchester Primary School
Dorchester Road
Hull
HU7 6AH

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 2021 to 2022 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.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

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.

The Trustees consider that the Trust is a going concern. The 3 - 5 year forecasts have been considered by the Board. Most academies presented a balanced budget for the upcoming financial year 2022/2023. For those which were unable to balance their budget the Board has assessed the individual circumstances causing the negative position and is assured of the measures in place to mitigate any forecasted deficits and that the cumulative impact can be managed by the Trust without materially impacting on its financial stability. The Trust is careful to include contingencies in the budget process including pay increases, pay increments, pension contributions and inflation.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies (continued)

The Trust continue to review all its service level agreements as they expire, and consider better value by working with suppliers to consolidate accounts and achieve economies of scale and better value for money. The Trust operates effectively within its finance policy and scheme of delegation ensuring no unnecessary expenditure is incurred.

Working budgets are maintained and updated regularly including monthly to the financial system for comparison. Any variances are investigated as they arise and monthly management accounts are discussed with the Trustees. The Trust pools its reserves in order to protect its activities by providing a financial comfort against an unpredictable environment and to ensure sufficient provision for future capital procurement and to safeguard future cash flow requirements. The Trust's level of reserves is predicted to increase over the next three years to provide more robust comfort levels, having experienced a dip in reserves in recent years. Cash flow is not considered an issue.

Income

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

Grants

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

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

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

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies (continued)

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.

Donated fixed assets (excluding transfers on conversion)

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.

Redundancy/termination payments

The redundancy/termination payments are recognised in the accounts when they are incurred. The redundancy/termination payments have been disclosed separately in the staff costs note within the notes to the accounts.

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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets costing £1,000 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	Amortisation method and rate
Website	Straight line over 3 years

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

Private finance initiative

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

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

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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 28, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 2022 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Educational trips and visits	147,545	-	147,545	31,551
Capital grants	-	934,722	934,722	989,997
Other donations	104,882	-	104,882	46,695
Donated fixed assets	-	-	-	5,068,505
	<u>252,427</u>	<u>934,722</u>	<u>1,187,149</u>	<u>6,136,748</u>

The income from donations and capital grants was £1,187,149 (2021: £6,136,748) which was allocated between the funds as follows; £252,427 unrestricted funds (2021: £78,246), £Nil restricted funds (2021: £Nil), £934,722 restricted fixed asset funds (2021: £6,058,502) and £Nil endowment funds (2021: £Nil).

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA revenue grants			
Teacher Pay and Pension Grants	68,342	68,342	1,272,351
Pupil Premium	2,847,615	2,847,615	2,687,960
UIFSM	524,855	524,855	562,338
Other ESFA Funding	784,972	784,972	548,897
General Annual Grant	30,912,650	30,912,650	28,028,547
	<u>35,138,434</u>	<u>35,138,434</u>	<u>33,100,093</u>

Other government grants

Local Authority Funding	2,751,896	2,751,896	2,534,006
Other Government Grants	130,162	130,162	-
	<u>2,882,058</u>	<u>2,882,058</u>	<u>2,534,006</u>

Non-government grants and other income

NCTL			-
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Covid-19 additional funding (DfE/ESFA)

Covid Recovery Premium	333,379	333,379	-
School Led Tuition Fund	198,382	198,382	-
Other DfE/ESFA COVID-19 funding	-	-	63,076
Catch-up premium	-	-	477,720
	<u>531,761</u>	<u>531,761</u>	<u>540,796</u>

Total grants	<u>38,552,253</u>	<u>38,552,253</u>	<u>36,174,895</u>
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The funding for educational operations was £38,552,253 (2021: £36,174,895) which was allocated between the funds as follows; £Nil unrestricted funds (2021: £Nil), £38,552,253 restricted funds (2021: £36,174,895), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	172,732	-	172,732	73,680
Catering income	567,461	-	567,461	493,978
Recharges and reimbursements	-	-	-	125,140
Other sales	1,117,651	208,822	1,326,473	1,260,554
	<u>1,857,844</u>	<u>208,822</u>	<u>2,066,666</u>	<u>1,953,352</u>

The income from other trading activities was £2,066,666 (2021: £1,953,352) which was allocated between the funds as follows; £1,857,844 unrestricted funds (2021: £1,609,939), £208,822 restricted funds (2021: £343,413), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

5 Investment income

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Bank Interest	8,012	8,012	504

The income from investment income was £8,012 (2021: £504) which was allocated between the funds as follows; £8,012 unrestricted funds (2021: £504), £Nil restricted funds (2021: £Nil), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2022 £	Total 2021 £
Academy's educational operations					
Direct costs	19,855,770	1,673,627	1,902,740	23,432,137	21,483,041
Allocated support costs	16,058,455	2,393,374	4,016,266	22,468,095	20,769,574
	<u>35,914,225</u>	<u>4,067,001</u>	<u>5,919,006</u>	<u>45,900,232</u>	<u>42,252,615</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating leases - PFI payments	1,398,220	1,387,658
Operating leases - other leases	95,532	100,893
Fees payable to auditor - audit	31,370	26,500
- other audit services	8,635	8,800
Amortisation	1,692	1,692
Depreciation	<u>2,012,905</u>	<u>1,658,605</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Charitable activities

	Total 2022 £	Total 2021 £
Direct costs - educational operations	23,432,137	21,483,041
Support costs - educational operations	22,468,095	20,769,574
	<u>45,900,232</u>	<u>42,252,615</u>

	Educational operations £	Total 2022 £	Total 2021 £
Analysis of support costs			
Support staff costs	16,058,455	16,058,455	13,070,049
Depreciation	340,115	340,115	375,661
Technology costs	363,375	363,375	594,257
Premises costs	2,393,374	2,393,374	2,747,453
Other support costs	3,312,776	3,312,776	3,982,154
Total support costs	<u>22,468,095</u>	<u>22,468,095</u>	<u>20,769,574</u>

8 Staff

Staff costs

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	24,456,444	22,837,834
Social security costs	2,258,622	2,170,193
Pension costs	8,710,400	6,683,799
	<u>35,425,466</u>	<u>31,691,826</u>
Supply staff costs	459,458	275,239
Staff restructuring costs	29,301	23,556
	<u>35,914,225</u>	<u>31,990,621</u>

	2022 £	2021 £
Staff restructuring costs comprise:		
Redundancy payments	3,123	10,296
Severance payments	26,178	13,260
	<u>29,301</u>	<u>23,556</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 £26,178 (2021: £13,260). Individually, the payments were: £26,178.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

Staff numbers

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

	2021/22 No	2020/21 No
Charitable Activities		
Management	6	7
Teachers	427	396
Administration and support	632	573
	<u>1,065</u>	<u>976</u>

Higher paid staff

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

	2022 No	2021 No
£60,001 - £70,000	8	10
£70,001 - £80,000	6	8
£80,001 - £90,000	4	3
£90,001 - £100,000	2	2
£100,001 - £110,000	1	2
£110,001 - £120,000	3	2
£170,001 - £180,000	-	-
£180,001 - £190,000	1	1
£190,001 - £200,000	-	-
£200,001 - £210,000	1	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 £974,700 (2021: £985,397).

Highest paid director

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	<u>209,092</u>	<u>203,994</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Central services

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

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

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

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

7.5% if a sponsored school, to allow for the greater support

8.5% for all other schools

The actual amounts charged during the year were as follows:

	2021/22	2020/21
	£	£
Bellfield Primary School	70,341	48,888
Collingwood Primary School	113,143	75,744
Dorchester Primary School	123,450	78,624
Eastfield Primary School	170,336	128,904
Gilberdyke Primary School	75,323	54,636
Longhill Primary School	149,698	91,464
Malton Primary School	48,447	-
The Marvell College	375,777	165,096
Pearson Primary School	76,047	53,136
SCITT	50,000	206,779
Stockwell Primary School	143,031	85,584
Sutton Park Primary School	112,604	77,928
Thoresby Primary School	140,282	114,540
Wansbeck Primary School	85,490	65,856
Westcott Primary School	94,991	72,324
Wheeler Primary School	161,458	119,460
Withernsea Primary School	190,813	114,372
	<u>2,181,231</u>	<u>1,553,335</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (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.

Mrs E M Macdonald OBE (CEO):

Remuneration: £205,000 - £210,000 (2021 - £200,000 - £205,000)

Employer's pension contributions: £Nil (2021 - £Nil)

During the year ended 31 August 2022, travel and subsistence expenses totalling £694 (2021 - £Nil) were reimbursed or paid directly to Trustees.

Other related party transactions involving the Trustees are set out in note 29.

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 officer's indemnity element from the overall cost of the RPA scheme.

12 Intangible fixed assets

	Intangible assets £	Total £
Cost		
At 1 September 2021	22,284	22,284
At 31 August 2022	22,284	22,284
Amortisation		
At 1 September 2021	18,897	18,897
Charge for the year	1,692	1,692
At 31 August 2022	20,589	20,589
Net book value		
At 31 August 2022	1,695	1,695
At 31 August 2021	3,387	3,387

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Leasehold improvements £	Motor vehicles £	Total £
Cost							
At 1 September 2021	27,695,860	35,409,922	579,945	1,576,595	4,866,916	27,896	70,157,134
Additions	-	-	118,704	253,793	474,255	-	846,752
Assets acquired on conversion	-	3,505,000	-	-	-	-	3,505,000
Disposals	-	-	-	-	-	-	-
At 31 August 2022	27,695,860	38,914,922	698,649	1,830,388	5,341,171	27,896	74,508,886
Depreciation							
At 1 September 2021	2,662,448	2,623,763	442,664	774,573	907,868	20,922	7,432,238
Charge for the year	603,835	597,528	89,315	248,758	469,538	3,931	2,012,905
Eliminated on disposals	-	-	-	-	-	-	-
At 31 August 2022	3,266,283	3,221,291	531,979	1,023,331	1,377,406	24,853	9,445,143
Net book value							
At 31 August 2022	24,429,577	35,693,631	166,670	807,057	3,963,765	3,043	65,063,743
At 31 August 2021	25,033,412	32,786,159	137,281	802,022	3,959,048	6,974	62,724,896

Included within leasehold land and buildings is £35,693,631 (2021: £32,786,159) 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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Tangible fixed assets (continued)

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

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

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

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

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

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

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

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

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

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

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

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

During the period ended 31 August 2021 one of the donated buildings was replaced with a new building and was assessed to have a new value of £4,779,905 per an estimation by the ESFA.

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.

The leasehold land and buildings at Malton Primary was acquired by the Trust on conversion on 1st February 2022 at a value of £3,505,000. The valuation was provided by Eddisons, Chartered Surveyors.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Debtors

	2022 £	2021 £
Trade debtors	51,832	109,638
VAT recoverable	977,265	318,274
Other debtors	93,716	48,723
Prepayments	292,214	291,131
Accrued grant and other income	545,792	558,955
	<u>1,960,819</u>	<u>1,326,721</u>

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,394,766	1,481,089
Other taxation and social security	534,275	519,021
Other creditors	46,647	87,913
Accruals	786,545	922,552
Deferred income	400,770	406,870
Pension scheme creditor	553,660	541,198
	<u>3,716,663</u>	<u>3,958,643</u>

	2022 £	2021 £
Deferred income		
Deferred income at 1 September 2021	406,870	412,006
Resources deferred in the period	400,770	406,870
Amounts released from previous periods	<u>(406,870)</u>	<u>(412,006)</u>
Deferred income at 31 August 2022	<u>400,770</u>	<u>406,870</u>

Deferred income relates to Universal Free School Meal funding received in July 2022, rates relief claim funding received in advance for the period September 2022 to March 2023, trip income relating to trips taken post year end and bursary payments owing at the year end.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds

	Balance at 1 September 2021 (restated) £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	30,912,650	(30,912,650)	-	-
Other Dfe/ESFA grants	-	784,972	(784,972)	-	-
Teacher Pay and Pension Grants	-	68,342	(68,342)	-	-
Covid 19 other funding	-	531,761	(531,761)	-	-
UFSM	-	524,855	(524,855)	-	-
Pupil Premium	-	2,847,615	(2,847,615)	-	-
Local Authority Funding	-	2,751,896	(2,751,896)	-	-
Other Grants and Trading Income	-	338,984	(338,984)	-	-
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	(27,408,000)	(316,000)	(3,762,000)	26,139,000	(5,347,000)
	<u>(27,408,000)</u>	<u>38,445,075</u>	<u>(42,523,075)</u>	<u>26,139,000</u>	<u>(5,347,000)</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,433,446	934,722	(829,514)	-	8,538,654
Donated Assets from Local Authority/ESFA	40,492,394	3,505,000	(871,814)	-	43,125,580
Transfer of Assets from existing academies into the Trust	13,366,325	-	(294,809)	-	13,071,516
Donated assets from DfE	216,450	-	(54,113)	-	162,337
	<u>62,508,615</u>	<u>4,439,722</u>	<u>(2,050,250)</u>	<u>-</u>	<u>64,898,087</u>
Total restricted funds	35,100,615	42,884,797	(44,573,325)	26,139,000	59,551,087
Unrestricted funds					
Unrestricted general funds	1,271,411	2,182,422	(1,326,907)	-	2,126,926
Total funds	<u>36,372,026</u>	<u>45,067,219</u>	<u>(45,900,232)</u>	<u>26,139,000</u>	<u>61,678,013</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds (continued)

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

	Balance at 1 September 2020 (Restated) £	Incoming resources £	Resources expended (Restated) £	Gains, losses and transfers (Restated) £	Balance at 31 August 2021 (Restated) £
Restricted general funds					
General Annual Grant (GAG)	-	28,028,547	(28,028,547)	-	-
Other Dfe/ESFA grants	-	548,897	(548,897)	-	-
Teacher Pay and Pension Grants	-	1,272,351	(1,272,351)	-	-
Covid 19 other funding	-	477,720	(477,720)	-	-
Other Government Grants	-	63,076	(63,076)	-	-
UIFSM	-	562,338	(562,338)	-	-
Pupil Premium	-	2,687,960	(2,687,960)	-	-
Local Authority Funding	-	2,534,006	(2,534,006)	-	-
Other Grants and Trading Income	-	343,413	(343,413)	-	-
Pension reserve (inc Transfer of Liabilities from existing academies into the Trust)	(19,373,000)	-	(2,363,000)	(5,672,000)	(27,408,000)
	(19,373,000)	36,518,308	(38,881,308)	(5,672,000)	(27,408,000)
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,104,364	989,997	(660,915)	-	8,433,446
Donated Assets from Local Authority/ESFA	36,460,063	4,779,905	(747,574)	-	40,492,394
Transfer of Assets from existing academies into the Trust	15,267,269	-	(328,351)	(1,572,593)	13,366,325
Donated assets from DfE		288,600	(72,150)	-	216,450
	59,831,696	6,058,502	(1,808,990)	(1,572,593)	62,508,615
Total restricted funds	40,458,696	42,576,810	(40,690,298)	(7,244,593)	35,100,615
Unrestricted funds					
Unrestricted general funds	1,145,039	1,688,689	(1,562,317)	-	1,271,411
Total funds	41,603,735	44,265,499	(42,252,615)	(7,244,593)	36,372,026

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds (continued)

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

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

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

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

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

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

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

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

Restricted Pension Funds represent the LGPS pension deficit.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 (Restated) £
Bellfield Primary School	15,000	143,324
Collingwood Primary School	15,000	(38,204)
Dorchester Primary School	15,000	182,483
Eastfield Primary School	15,000	(82,421)
Gilberdyke Primary School	15,000	(129,561)
Longhill Primary School	15,000	801,758
The Marvell College	15,000	94,164
Malton Primary School	15,000	-
Pearson Primary School	15,000	(61,282)
Hull SCITT	15,000	190,965
Stockwell Primary School	15,000	104,079
Sutton Park Primary School	15,000	(21,521)
Thoresby Primary School	15,000	96,341
Wansbeck Primary School	15,000	(48,966)
Westcott Primary School	15,000	(157,323)
Wheeler Primary School	15,000	(182,791)
Withernsea Primary School	15,000	390,194
Central services	1,871,926	(9,828)
Total before fixed assets and pension reserve	2,126,926	1,271,411
Restricted fixed asset fund	64,898,087	62,508,615
Pension reserve	(5,347,000)	(27,408,000)
Total	61,678,013	36,372,026

During the year the Academy Trust has changed how funds have been allocated due to a change in policy as described below. This change in policy has led to the fact that some schools who had negative funds at 31 August 2021 now have positive funds at 31 August 2022.

As per the reserves policy outlined in the Trustees Report, Trustees have considered individual academy reserves within the Academy Trust. The Trust will manage the reserves at a Trust level with a balance of £15,000 being retained by each individual academy. This will allow the Trust to better support a more student focused approach to school improvement across all of the academies in the Trust.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation/amortisation of £2,014,597 but including central catering recharges of £1,521,100) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2022 £	Total 2021 £
Bellfield Primary School	781,008	133,381	28,211	220,332	1,162,932	1,303,742
Collingwood Primary School	1,327,481	139,343	44,616	353,811	1,865,251	1,885,350
Dorchester Primary School	1,477,127	226,089	45,382	334,747	2,083,345	2,330,794
Eastfield Primary School	2,069,494	215,373	50,012	534,292	2,869,171	3,022,374
Gilberdyke Primary School	743,327	128,582	26,469	194,370	1,092,748	1,201,059
Longhill Primary School	1,571,068	153,892	33,313	335,737	2,094,010	2,246,857
Malton Primary School	549,937	101,945	17,062	125,441	794,385	-
The Marvell College	5,408,659	644,133	115,347	2,781,297	8,949,436	8,941,144
Pearson Primary School	977,380	125,038	26,615	219,008	1,348,041	1,435,394
Hull SCITT	75,718	65,358	47,482	204,436	392,994	383,900
Stockwell Primary School	1,495,031	256,197	37,464	407,187	2,195,879	2,182,095
Sutton Park Primary School	1,438,263	129,809	32,401	313,744	1,914,217	1,945,753
Thoresby Primary School	1,847,939	129,390	44,316	397,059	2,418,704	2,589,361
Wansbeck Primary School	1,271,641	100,850	48,078	306,276	1,726,845	1,771,475
Westcott Primary School	989,784	122,837	37,237	238,978	1,388,836	1,399,648
Wheeler Primary School	1,585,534	551,374	37,056	392,614	2,566,578	2,881,671
Withernsea Primary School	2,109,739	296,110	46,300	344,836	2,796,985	2,959,523
Central services	922,674	5,752,720	46,556	878,767	7,600,717	2,040,029
Academy Trust	26,641,804	9,272,421	763,917	8,582,932	45,261,074	40,520,169

The amount of £7,351,720 in Central Services - Other Support Staff costs includes the current service cost less employer pension contributions of £3,280,000 and net interest cost of £482,000 in respect of the Trusts Pension scheme costs.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	1,695	1,695
Tangible fixed assets	601,264	-	64,462,479	65,063,743
Current assets	1,525,662	3,716,663	433,913	5,676,238
Current liabilities	-	(3,716,663)	-	(3,716,663)
Pension scheme liability	-	(5,347,000)	-	(5,347,000)
Total net assets	2,126,926	(5,347,000)	64,898,087	61,678,013

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

	Unrestricted funds (Restated) £	Restricted general funds (Restated) £	Restricted fixed asset funds (Restated) £	Total funds (Restated) £
Intangible fixed assets	-	-	3,387	3,387
Tangible fixed assets	571,535	-	62,153,361	62,724,896
Current assets	699,876	3,958,643	351,867	5,010,386
Current liabilities	-	(3,958,643)	-	(3,958,643)
Pension scheme liability	-	(27,408,000)	-	(27,408,000)
Total net assets	1,271,411	(27,408,000)	62,508,615	36,372,026

18 Prior period adjustments

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Total funds/(deficit carried forward at 31 st August 2020 (original)	1,426,781	(20,076,031)	60,252,985	41,603,735
Reallocation of movement in funds (see note below)	(281,742)	703,031	(421,289)	-
Total funds/(deficit carried forward at 31 st August 2020 (restated)	1,145,039	(19,373,000)	59,831,696	41,603,735
Net movement of funds in the year as restated	126,372	(8,035,000)	2,676,919	(5,231,709)
Total funds/(deficit carried forward at 31 st August 2021 (restated)	1,271,411	(27,408,000)	62,508,615	36,372,026

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18 Prior period adjustments (continued)

During the preparation of the Financial Statements for the year ended 31st August 2022 and the review of the opening balances, it became apparent that those fixed assets acquired in the years ended 31st August 2020 and 31st August 2021, which were not funded through capital grants had been assumed to be funded out of GAG (Restricted General Fund). It is now clear that this was not the case in both years and those assets had been funded from Unrestricted Funds and should have been allocated to those funds. As such, the original transfer of funds between the Restricted General Fund and the Restricted Fixed Asset Fund detailed in the relevant Financial Statements have been reversed and those assets acquired from Unrestricted Funds form part of the Unrestricted Funds.

As at 31st August 2021 the Restricted General Fund, excluding the Local Government Pension Scheme deficit was showing a deficit of £1,399,126 whilst the Unrestricted Fund was showing a surplus of £1,341,626. The comparative figures have been restated to show the Restricted General Fund to be £nil (excluding the Local Government Pension Scheme deficit) by way of reallocation of Expenditure on the Charitable Activities.

Although the overall reserves of the company had not changed, the effect of the restatement of the comparative figures has resulted in a decrease in the Unrestricted Fund of £70,215 from £1,341,626 to £1,271,411, an increase in the Restricted General Fund of £1,399,126 from £(28,807,126) to £(27,408,000) and a decrease in the Restricted Fixed Asset Fund of £1,328,911 from £63,837,526 to £62,508,615. The total free reserves (excluding Restricted Fixed Assets Fund and the Local Government Pension Scheme deficit) has increased by £1,328,911 from a deficit of £57,500 to a surplus of £1,271,411.

19 Capital commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	486,069	374,428

The above capital commitments relate to the acquisition of tangible fixed assets.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	66,821	92,532
Amounts due between one and five years	40,468	88,634
	<u>107,289</u>	<u>181,166</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%):

	2022 £	2021 £
Amounts due within one year	1,412,622	1,387,597
Amounts due within one and five years	4,325,766	4,249,133
Amounts due over five years	13,804,580	15,145,350
	<u>19,542,968</u>	<u>20,782,080</u>

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

	2022 £	2021 £
Net income/(expenditure)	(833,013)	2,012,884
Amortisation	1,692	1,692
Depreciation	2,012,905	1,730,755
Donated capital and capital grants	(934,722)	(989,997)
Interest receivable	(8,012)	(504)
FRS 102 net interest on defined benefit pension scheme	482,000	346,000
FRS 102 cost less contributions payable on defined benefit pension scheme	3,280,000	2,017,000
(Increase)/Decrease in debtors	(634,098)	96,753
(Decrease)/Increase in creditors	(241,980)	588,033
Inherited pension liability	(316,000)	-
Net cash inflow/(outflow) from operating activities	<u>3,440,772</u>	<u>5,802,616</u>

22 Cash flows from financing activities

	2022 £	2021 £
Investments	8,012	504
Net cash provided by financing activities	<u>8,012</u>	<u>504</u>

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(846,752)	(1,744,244)
Capital funding received from sponsors and others	934,722	989,997
Inherited assets	(3,505,000)	(4,779,905)
Net cash used in investing activities	<u>(3,417,030)</u>	<u>(5,534,152)</u>

24 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	3,715,419	3,683,665
Total cash and cash equivalents	<u>3,715,419</u>	<u>3,683,665</u>

25 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	3,683,665	31,754	3,715,419
Total	<u>3,683,665</u>	<u>268,968</u>	<u>3,715,419</u>

26 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.

There is a potential liability for Hull Collaborative Academy Trust relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedence on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

27 Members' liability

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £553,660 (2021 - £541,198) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £3,298,061 (2021: £3,120,022).

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

Under the definitions set out in FRS 102, the TPS is 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.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28 Pension and similar obligations (continued)

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 2022 was £2,083,000 (2021 - £2,036,000), of which employer's contributions totalled £1,599,000 (2021 - £1,574,000) and employees' contributions totalled £484,000 (2021 - £462,000). The agreed contribution rates for future years are 19.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.95	3.80
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.70

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

	2022	2021
Retiring today		
Males retiring today	20.80	21.00
Females retiring today	23.50	23.70
Retiring in 20 years		
Males retiring in 20 years	22.00	22.20
Females retiring in 20 years	25.30	25.50

Sensitivity analysis

	At 31 August 2022 £	At 31 August 2021 £
Discount rate -0.1%	777,000	1,308,000
Salary rate +0.1%	80,000	136,000
Pension rate +0.1%	705,000	1,151,000
Mortality assumption - 1 year increase	1,227,000	2,054,000

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

	2022 £	2021 £
Equities	19,002,000	16,517,000
Other bonds	3,547,000	4,309,000
Property	2,534,000	2,633,000
Cash and other liquid assets	253,000	479,000
Total market value of assets	25,336,000	23,938,000

The actual return on scheme assets was a loss of £384,000 (2021: gain of £3,487,000).

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22 £	2020/21 £
Current service cost	4,879,000	3,582,000
Interest cost	482,000	346,000
Total amount recognised in the SOFA	5,361,000	3,928,000

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

	2021/22 £	2020/21 £
At start of period	51,346,000	38,343,000
Current service cost	4,879,000	3,582,000
Interest cost	892,000	681,000
Employee contributions	484,000	462,000
Actuarial (gain)/loss	(26,933,000)	8,824,000
Effect of business combinations	595,000	-
Benefits paid	(580,000)	(555,000)
Past service cost	-	9,000
At 31 August	30,683,000	51,346,000

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

	2021/22 £	2020/21 £
At start of period	23,938,000	18,970,000
Interest income	410,000	335,000
Actuarial gain/(loss)	(794,000)	3,152,000
Employer contributions	1,599,000	1,574,000
Employee contributions	484,000	462,000
Effect of business combinations	279,000	-
Benefits paid	(580,000)	(555,000)
At 31 August	25,336,000	23,938,000

29 Related party transactions

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

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Related party transactions (continued)

Expenditure related party transactions

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

Hull Collaborative Teaching School

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £749 (2021: £32,042) from Hull Collaborative Teaching School Limited.

In entering into the transaction, the Academy Trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to Hull Collaborative Teaching School was £Nil (2021 - £Nil).

Hull Centre for Restorative Practice

(A company in which E Macdonald is a Director)

During the year the Trust purchased services amounting to £Nil (2021: £2,375) from Hull Centre for Restorative Practice Limited.

In entering into the transaction, the Academy Trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to Hull Centre for Restorative Practice was £Nil (2021 - £Nil).

Income related party transactions

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

Hull Collaborative Teaching School

(A company in which E Macdonald is a Director)

During the year the Trust recharged services amounting to £Nil (2021: £1,926) to Hull Collaborative Teaching School Limited.

At the balance sheet date the amount due from Hull Collaborative Teaching School was £Nil (2021: £8,158)).

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.

R Lutkin

R Lutkin, daughter of K Beal, Deputy CEO, is employed by the Academy Trust as a teacher. R Lutkin's appointment was made in open competition and K Beal was not involved in the decision making process regarding appointment. R Lutkin is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

F Marks

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

C Williams

C Williams, daughter of E Macdonald, CEO, is employed by the Academy Trust as a teacher. C Williams appointment was made in open competition and E MacDonald was not involved in the decision making process regarding appointment. C Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

Hull Collaborative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Related party transactions (continued)

L Lattimore

L Lattimore, sister of C Huscroft, the Chair of Trustees, is employed by the Academy Trust as a personal assistant. L Lattimore's appointment was made in open competition and C Huscroft was not involved in the decision making process regarding appointment. L Lattimore is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

30 Conversion to an academy trust

On 1 January 2022 Malton Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hull Collaborative Academy Trust from the North Yorkshire Local Authority for £Nil consideration.

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

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,505,000	3,505,000
Budget surplus on LA funds	64,139	-	-	64,139
LGPS pension deficit	-	(316,000)	-	(316,000)
Net assets/ (liabilities)	64,139	(316,000)	3,505,000	3,253,139