
YORKSHIRE COLLABORATIVE ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

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YORKSHIRE COLLABORATIVE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | S Root L Pugh P Laurence G Grodzki G Osborne |
| Trustees | I Moore D Parker J Baynes E Nicholson P Barrett (resigned 6 September 2019) J Robinson, Headteacher, trustee and CEO F Jones (appointed 7 October 2019) D McConnell (appointed 3 February 2020) A Hornby (appointed 10 December 2019) N Lancaster (appointed 8 December 2020) |
| Company registered number | 09668526 |
| Company name | Yorkshire Collaborative Academy Trust |
| Principal and registered office | Bilton Grange School Bilton Lane Harrogate HG1 3BA |
| Chief executive officer | J Robinson (appointed 01/09/2020) D Parker (resigned 31/08/2020) |
| Senior management team | S King, Clerk to Trustees J O'Gara, CFO (resigned 31/01/2020) S Johnson, CFO (appointed 01/03/2020) J Ratcliffe J Robinson, CEO R Street E Nayler H Vasey S Beveridge L Longford |
| Independent auditors | Sagars Accountants Ltd Gresham House 5-7 St Paul's Street Leeds LS1 2JG |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

Solicitors Stone King LLP
1 Aire Street
Leeds
LS1 4PR

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The chairman presents his statement for the year.

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

Our fifth year has been the most challenging year for schools in the last eighty years. Responding to the national pandemic has placed exceptional challenges on our schools that have continued into the new school year. Our staff and children have faced considerable anxiety and uncertainty in their day to day school life that has lasted from March 2020 and is ongoing now as we come to the end of the autumn term.

There has been a huge commitment by everyone in our Trust to ensure our schools have stayed open and families and communities have been supported during these unprecedented times.

As Trustees we are extremely grateful for the commitment, resilience and support shown by our staff to children and colleagues throughout this difficult time.

Our priority as Trustees is to ensure the full return to school is implemented successfully and safely and our schools address learning loss as a result of a long period of lockdown.

Chief Executive Officer's Review of the Year

Our schools and families have faced uncertainty and disruption in their normal routines of family life and education this year.

Despite continuous adjustments to school arrangements, supporting vulnerable families during the pandemic and providing home learning, our staff have shown incredible commitment and goodwill to keep our schools open, safe and support all aspects of the school's community.

Parents have provided vital support to their children and this has contributed to a supportive and caring ethos across our Trust during these exceptional times.

Children throughout the Trust have shown considerable resilience and calmness during the pandemic and staff have very effectively supported any mental health issues.

Throughout this period of turmoil schools have continued to meet regularly, identifying ways to improve provision and plan strategically to address learning loss on pupils' full return to school.

Trust, Governors and school staff have worked effectively through a blend of face to face and remote working arrangements for the last six months. As a result, we have built effective operational models and established strong foundations to implement the recovery curriculum from September.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates 5 academies for pupils aged 3 to 11 in the North Yorkshire area. The trust had 874 pupils on roll during the year.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Yorkshire Collaborative Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Yorkshire Collaborative Academy Trust or YCAT.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

d. Policies adopted for the induction and training of Trustees

A bespoke induction programme will be provided to all new trustees, informed by the National Governors Association. Trustees and Governors are encouraged to access training as and when required. Governance training is provided at both trust and school governance level, including a suite of online programmes developed specifically for our trust together with 50+ online modules developed by the National Governance Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Organisational structure

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

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

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

In summary, the Trustees have the following role:

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

Trustees should promote the development of "Tight-loose balance" in all aspects of the MAT's work.

f. Arrangements for setting pay and remuneration of key management personnel

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

g. Trade union facility time

During the year, YCAT bought into the North Yorkshire Education Services Professional Association Facilities Arrangements. £2,287 was paid which represents 0.09% of the pay bill.

h. Related parties and other connected charities and organisations

Askwith School is the lead school for the Harrogate and Rural Teaching Alliance (HART) which includes about 50 members and the accounts for HART are included within YCAT. HART supports initial teacher training, school improvement, continuing professional development, leadership development and succession planning and research and development.

The HART of Yorkshire School Centred Initial Teacher Training (SCITT) is also part of YCAT and provides initial teacher training to graduates. During the year, 15 graduates were trained through the HART of Yorkshire SCITT.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objectives, strategies and activities

The key strategic priorities for the fifth year of operation were to:

- Ensure the new knowledge rich curriculum is built on the principles of cognitive science across all of our schools
- Identify, research and evaluate key focus areas for new approaches
- Implement a greater focus on a quality of education that provides a wide range of indicators measuring the range and depth of the curriculum
- Continue to develop estates management capacity and apply for CIF funding for all schools
- Promote YCAT through various targeted marketing initiatives
- Promote YCAT school improvement services and specialist academy expertise
- Maintain dialogue with DfE over sponsored schools
- Develop and embed the use of Microsoft TEAMS across the schools
- Further develop principles to make YCAT an 'employer of choice'
- Further develop governance systems, structures and support to governors to meet the needs of the trust as we grow.

The YCAT schools have a strong approach to school improvement and a proven track record of impact on pupils' learning.

We continue to provide very effective school improvement through our National Leaders of Education and Specialist Leaders of Education. We have also provided conversion and mentoring support to new multi academy trusts.

b. Public benefit

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

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

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

National assessment tests have not taken place in 2020 because of the national pandemic. On return to school all schools will be completing baseline assessments and identifying strategies to address pupils' learning loss during school closure because of Covid 19.

- All schools have implemented a new knowledge rich high quality curriculum in line with the new Ofsted framework.
- Schools will improve the quality of provision in KS2 foundation subjects.
- We will improve the effectiveness of leadership across the Trust's schools.

b. 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 they continue 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 accounting policies.

Financial review

a. Overview

The majority of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. The grants received during the period ended 31st August 2020 and the associated expenditure are shown under restricted funds in the Statement of Financial Activities.

The pension deficit for the Local Government Pension Scheme has increased during the year due to the actuarial loss and the impact of the McCloud case.

Net movement in funds was a deficit of £348,000 (2019: deficit £145,000), with net assets at 31 August 2020 of £7,198,000 (2019: £7,546,000).

The reserves position at 31 August 2020 is as follows: Restricted funds excluding pension reserve £9,221,000 (2019: £9,087,000), unrestricted funds (General fund) £367,000 (2019: £352,000).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Reserves policy

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

The trustees have determined that the level of free reserves should not fall below £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The level of free reserves at 31st August 2020 was £367,000. The trustees recognise this level is in excess of the target level and will review budgets and future plans to ensure the level of reserves is appropriate.

c. Investments policy

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

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

Principal Risks and Uncertainties

The trustees have assessed the major risks, to which the academy is exposed, in particular those relating specifically to the quality of the curriculum, provision of facilities and other operational areas of the academy trust including its finances. The Trustees have implemented a number of systems to assess risks at school level, especially in the operational areas (e.g. in relation to the quality of the curriculum, health and safety and safeguarding) and in relation to the control of finances.

The main risk identified to the academy trust, continues to be around the uncertainty of funding levels. Rising costs and potential reductions in future funding due to Covid 19 recovery continue to add to the financial challenge. Additionally, pressure within North Yorkshire and nationally on high needs funding has meant that the costs of supporting pupils with additional needs is significantly higher than the funding received. This underfunding is set to continue, resulting in overall pressure on all school budgets.

Trustees will continue to monitor financial performance to ensure the academy trust remains in a strong financial position.

The trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

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

- Embedding a high quality of education across our schools.
- Further developing our trust-wide learning community
- Financial and Commercial effectiveness
- Generating other sources of income from our schools' areas of specialist expertise
- Developing our employees

Embedding a high quality of education across our schools, key priorities have been agreed both at the school and trust level and are being implemented through the school development plans. This includes the full implementation of a knowledge rich curriculum in all subjects.

We will further develop our collaborative learning projects with partner schools in the HART Alliance.

The focus under financial and commercial effectiveness is the renegotiation of contracts for services with the aim of achieving better value for money.

Seeking opportunities for funded projects and support for schools.


Our employees are key to the success of the trust. With changes in curriculum and the challenges of the recovery curriculum from Covid 19, we recognise the pressure our staff are under. Health and wellbeing continues to be a key priority for our coming year.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2020 and signed on its behalf by:



IAN MOORE

I Moore
Chair of Trustees

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Yorkshire Collaborative Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 5 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 |
|--|-------------------|-------------------|
| I Moore | 4 | 5 |
| D Parker | 5 | 5 |
| J Baynes | 4 | 5 |
| E Nicholson | 5 | 5 |
| P Barrett | 0 | 0 |
| J Robinson, Headteacher, trustee and CEO | 4 | 5 |
| F Jones | 5 | 5 |
| D McConnell | 2 | 2 |
| A Hornby | 1 | 4 |
| N Lancaster | 0 | 0 |

This year we have continued our focus on improving governance including:

- Maintaining robust processes for recruitment of trustees and governors based on particular skills needed
- Review and update of the YCAT Accountabilities Framework to reflect the change in expectations in the Ofsted framework for the delivery of a broader high-quality curriculum
- Standard agenda items for meetings at both Trust and Local Governing Body level
- From March 2020 we have established a remote operational model for remote Local Governing Body and Trustee meetings

Despite the board meeting less than 6 times in the year we were able to maintain effective oversight of funds through the meeting that occurred as well as constant monitoring throughout the year.

The Finance, Resources, Audit and Risk (FRAR) Committee is a sub-committee of the main board of Trustees. Its purpose is to carry out duties delegated by the main board in the areas of finance and commerce, including strategic management of risk.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| J Baynes | 4 | 5 |
| D McConnell | 1 | 1 |
| I Moore | 4 | 5 |
| E Nicholson | 3 | 5 |
| D Parker, CEO | 5 | 5 |
| J Robinson | 3 | 5 |

Financial matters are discussed at both the main trust board meetings and the FRAR committee. In addition to the formal meetings, monthly management accounts are provided to the chair of the trustees and the FRAR committee, including income and expenditure, balance sheet and cashflow.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 academy 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Undertaking a benchmarking review of similar sized trusts to identify potential savings.
- Restructuring the management structure of the teaching school has made significant savings
- Implementation of savings in premises costs for three schools through successful applications for CIF funding facilitated by the development of an in-house estates management capability.
- We have changed from a self-insurance staff absence scheme to a product with guaranteed protection, to reduce financial risk during the national pandemic.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Yorkshire Collaborative Academy Trust for the year 1 September 2019 to 31 August 2020 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 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Veritau Ltd as internal auditor.

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

- Review of financial processes (final report delayed because of Covid 19) and Risk Management.

The follow up action to the review was to further develop the alignment and consistency of risk assessments at Trust and school level and no material controls issues were identified.

On an annual basis, the internal auditor reports to the board of Trustees through the Finance, Resources, Audit and Risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

Review of effectiveness

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


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

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

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:


IAN MOORE

I Moore
Chair of Trustees
Date: 8 December 2020



J Robinson
Accounting Officer

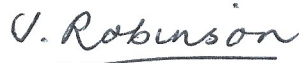
YORKSHIRE COLLABORATIVE ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Yorkshire Collaborative Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



J Robinson
Accounting Officer
Date: 8 December 2020

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also 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 & 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 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 of Trustees on 8 December 2020 and signed on its behalf by:

I Moore
Chair of Trustees



I MOORE

YORKSHIRE COLLABORATIVE ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YORKSHIRE COLLABORATIVE ACADEMY TRUST**

Opinion

We have audited the financial statements of Yorkshire Collaborative Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YORKSHIRE COLLABORATIVE ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Trustees' report including the Strategic 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.

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YORKSHIRE COLLABORATIVE ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YORKSHIRE COLLABORATIVE ACADEMY TRUST (CONTINUED)**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy trust'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 trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
YORKSHIRE COLLABORATIVE ACADEMY TRUST (CONTINUED)**



Susan Seaman BA FCA CIOT (senior statutory auditor)

for and on behalf of

Sagars Accountants Ltd

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

8 December 2020

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO YORKSHIRE COLLABORATIVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire Collaborative Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Yorkshire Collaborative Academy Trust's funding agreement with the Secretary of State for Education dated 23 July 2015 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO YORKSHIRE COLLABORATIVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Sagars Accountants Ltd

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

Date: 8 December 2020

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 2 | - | 238 | 240 | 713 |
| Charitable activities | 4 | 190 | 4,058 | - | 4,248 | 4,116 |
| Teaching schools | 31 | 25 | 40 | - | 65 | 60 |
| Other trading activities | 5 | 14 | - | - | 14 | 16 |
| Investments | 6 | 3 | - | - | 3 | 5 |
| Total income | | 234 | 4,098 | 238 | 4,570 | 4,910 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 214 | 4,171 | 184 | 4,569 | 4,563 |
| Teaching schools | 31 | 5 | 15 | - | 20 | 65 |
| Total expenditure | | 219 | 4,186 | 184 | 4,589 | 4,628 |
| Net income/(expenditure) | | 15 | (88) | 54 | (19) | 282 |
| Transfers between funds | 20 | - | (19) | 19 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 15 | (107) | 73 | (19) | 282 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 27 | - | (329) | - | (329) | (427) |
| Net movement in funds | | 15 | (436) | 73 | (348) | (145) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 352 | (1,878) | 9,072 | 7,546 | 7,691 |
| Net movement in funds | | 15 | (436) | 73 | (348) | (145) |
| Total funds carried forward | | 367 | (2,314) | 9,145 | 7,198 | 7,546 |

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09668526

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|---|------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 16 | | 8,965 | | 8,781 |
| | | | <u>8,965</u> | | <u>8,781</u> |
| Current assets | | | | | |
| Debtors | 17 | 230 | | 139 | |
| Cash at bank and in hand | | 882 | | 988 | |
| | | <u>1,112</u> | | <u>1,127</u> | |
| Creditors: amounts falling due within one year | 18 | (475) | | (454) | |
| Net current assets | | | 637 | | 673 |
| Total assets less current liabilities | | | 9,602 | | 9,454 |
| Creditors: amounts falling due after more than one year | 19 | | (14) | | (15) |
| Net assets excluding pension liability | | | 9,588 | | 9,439 |
| Defined benefit pension scheme liability | 27 | | (2,390) | | (1,893) |
| Total net assets | | | 7,198 | | 7,546 |
| Funds of the academy trust | | | | | |
| Restricted funds: | | | | | |
| Fixed asset funds | 20 | 9,145 | | 9,072 | |
| Restricted income funds | 20 | 76 | | 15 | |
| | | <u>9,221</u> | | <u>9,087</u> | |
| Restricted funds excluding pension asset | 20 | 9,221 | | 9,087 | |
| Pension reserve | 20 | (2,390) | | (1,893) | |
| Total restricted funds | 20 | | 6,831 | | 7,194 |
| Unrestricted income funds | 20 | | 367 | | 352 |
| Total funds | | | 7,198 | | 7,546 |

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue on 08 December 2020 and are signed on their behalf, by:

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09668526

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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The notes on pages 29 to 57 form part of these financial statements.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | 2020 £000 | <i>2019</i> <i>£000</i> |
|---|-------------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 22 | 21 | <i>(192)</i> |
| Cash flows from investing activities | 24 | (125) | <i>248</i> |
| Cash flows from financing activities | 23 | (2) | <i>17</i> |
| Change in cash and cash equivalents in the year | | (106) | <i>73</i> |
| Cash and cash equivalents at the beginning of the year | | 988 | <i>915</i> |
| Cash and cash equivalents at the end of the year | 25 | 882 | <i>988</i> |

The notes on pages 29 to 57 form part of these financial statements

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 academy trust 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.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' 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'.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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 Capital Grants' 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.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

1.7 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Intangible assets (continued)

Amortisation is provided on the following basis:

| | |
|-------------------|--------|
| Computer software | - 33 % |
|-------------------|--------|

1.8 Tangible fixed assets

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

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

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

| | |
|------------------------------|-------------|
| Long-term leasehold property | - 2% to 10% |
| Furniture and equipment | - 20% |
| Computer equipment | - 33% |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

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.

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

| | Unrestricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|-------------------|---|---|--|--|
| Donations | 2 | - | 2 | 8 |
| Capital Grants | - | 238 | 238 | 705 |
| | <u>2</u> | <u>238</u> | <u>240</u> | <u>713</u> |
| <i>Total 2019</i> | <u>8</u> | <u>705</u> | <u>713</u> | |

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy trust's educational operations

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|--|---|---|--|--|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 3,169 | 3,169 | 3,136 |
| Universal Free School Meals | - | 116 | 116 | 129 |
| Pupil Premium | - | 134 | 134 | 123 |
| Sports Grant | - | 81 | 81 | 87 |
| Other Dfe/ EFA Grants | - | 182 | 182 | 40 |
| | - | 3,682 | 3,682 | 3,515 |
| Other Government grants | | | | |
| Early Years Funding | - | 128 | 128 | 94 |
| SEN Funding | - | 56 | 56 | 66 |
| Graduate Teacher Programme Funds | - | 192 | 192 | 150 |
| | - | 376 | 376 | 310 |
| Other income from the academy trust's educational operations | 190 | - | 190 | 291 |
| | 190 | 4,058 | 4,248 | 4,116 |
| <i>Total 2019</i> | 291 | 3,825 | 4,116 | |

5. Income from other trading activities

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|-----------------|---|--|--|
| Rent Receivable | 14 | 14 | 16 |

YORKSHIRE COLLABORATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|---------------|---|--|--|
| Bank interest | 3 | 3 | 5 |

7. Expenditure

| | Staff Costs 2020 £000 | Premises 2020 £000 | Other 2020 £000 | Total 2020 £000 | <i>Total 2019 £000</i> |
|-------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Educational operations: | | | | | |
| Direct costs | 3,101 | - | 282 | 3,383 | 3,325 |
| Allocated support costs | 330 | 261 | 595 | 1,186 | 1,238 |
| Teaching school | 15 | - | 5 | 20 | 65 |
| | <u>3,446</u> | <u>261</u> | <u>882</u> | <u>4,589</u> | <u>4,628</u> |
| <i>Total 2019</i> | <u>3,349</u> | <u>264</u> | <u>1,015</u> | <u>4,628</u> | |

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|------------------------|---|---|--|--|
| Educational operations | 214 | 4,355 | 4,569 | 4,563 |

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9. Analysis of expenditure by activities

| | Direct costs 2020 £000 | Support costs 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|------------------------|---------------------------------------|--|--|--|
| Educational operations | 3,383 | 1,186 | 4,569 | 4,563 |
| <i>Total 2019</i> | <u>3,325</u> | <u>1,238</u> | <u>4,563</u> | |

Analysis of support costs

| | Educational operations 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|---------------------|---|--|--|
| Staff costs | 330 | 330 | 307 |
| Depreciation | 184 | 184 | 160 |
| Premises costs | 261 | 261 | 264 |
| Other support costs | 354 | 354 | 457 |
| Technology costs | 46 | 46 | 35 |
| Governance costs | 11 | 11 | 15 |
| | <u>1,186</u> | <u>1,186</u> | <u>1,238</u> |

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2020 | <i>2019</i> |
|---------------------------------------|--------------|--------------|
| | £000 | <i>£000</i> |
| Operating lease rentals | 3 | <i>5</i> |
| Depreciation of tangible fixed assets | 184 | <i>160</i> |
| Fees paid to auditors for: | | |
| - audit | 9 | <i>9</i> |
| | ===== | <i>=====</i> |

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2020 | <i>2019</i> |
|---------------------------|--------------|--------------|
| | £000 | <i>£000</i> |
| Wages and salaries | 2,391 | 2,442 |
| Social security costs | 204 | 205 |
| Pension costs | 681 | 572 |
| | <u>3,276</u> | <u>3,219</u> |
| Agency staff costs | 113 | 97 |
| Staff restructuring costs | 21 | - |
| | <u>3,410</u> | <u>3,316</u> |

Staff restructuring costs comprise:

| | 2020 | <i>2019</i> |
|---------------------|-------------|-------------|
| | £000 | <i>£000</i> |
| Redundancy payments | 21 | - |
| | <u>21</u> | <u>-</u> |

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,838 (2019: £nil). Individually, the payments were: £14,782 and £6,057.

c. Staff numbers

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

| | 2020 | <i>2019</i> |
|----------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| Teachers | 94 | 99 |
| Administration and support | 22 | 21 |
| Management | 9 | 9 |
| | <u>125</u> | <u>129</u> |

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11. Staff costs (continued)

d. Higher paid staff

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

| | 2020 | <i>2019</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 5 | <i>3</i> |

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £624,655 (2019: £592,316) for the period ending 31st August 2020.

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12. Central services

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

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

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

5% of GAG and Early Years Funding

The actual amounts charged during the year were as follows:

| | 2020 | <i>2019</i> |
|---------------|-------------|-------------|
| | £000 | <i>£000</i> |
| Bilton Grange | 57 | <i>24</i> |
| Askwith | 25 | <i>56</i> |
| Lothersdale | 22 | <i>22</i> |
| Hawes | 21 | <i>38</i> |
| Leyburn | 39 | <i>22</i> |
| Total | 164 | <i>162</i> |

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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

| | | 2020 | <i>2019</i> |
|---------------------------------|----------------------------|----------------|----------------|
| | | £000 | <i>£000</i> |
| J Robinson, Headteacher trustee | Remuneration | 65 - 70 | <i>65 - 70</i> |
| | Pension contributions paid | 15 - 20 | <i>10 - 15</i> |
| D Parker, CEO | Remuneration | 35 - 40 | <i>35 - 40</i> |
| | Pension contributions paid | 0 - 5 | <i>0 - 5</i> |

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,054 were reimbursed or paid directly to 2 Trustees (*2019 - £1,879 to 2 Trustees*).

14. Trustees' and Officers' insurance

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

15. Intangible assets

| | Computer software |
|--------------------------|--------------------------|
| | £000 |
| Cost | |
| At 1 September 2019 | 15 |
| At 31 August 2020 | 15 |
| Amortisation | |
| At 1 September 2019 | 15 |
| At 31 August 2020 | 15 |
| Net book value | |
| At 31 August 2020 | - |
| <i>At 31 August 2019</i> | <i>-</i> |

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16. Tangible fixed assets

| | Long-term leasehold property £000 | Assets under construction £000 | Furniture and equipment £000 | Computer equipment £000 | Total £000 |
|--------------------------|--|---|---------------------------------------|-------------------------------|---------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | 9,159 | - | 71 | 40 | 9,270 |
| Additions | 209 | 139 | 3 | 17 | 368 |
| At 31 August 2020 | <u>9,368</u> | <u>139</u> | <u>74</u> | <u>57</u> | <u>9,638</u> |
| Depreciation | | | | | |
| At 1 September 2019 | 434 | - | 30 | 25 | 489 |
| Charge for the year | 157 | - | 15 | 12 | 184 |
| At 31 August 2020 | <u>591</u> | <u>-</u> | <u>45</u> | <u>37</u> | <u>673</u> |
| Net book value | | | | | |
| At 31 August 2020 | <u>8,777</u> | <u>139</u> | <u>29</u> | <u>20</u> | <u>8,965</u> |
| At 31 August 2019 | <u>8,725</u> | <u>-</u> | <u>41</u> | <u>15</u> | <u>8,781</u> |

17. Debtors

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Due within one year | | |
| Trade debtors | 9 | 10 |
| Other debtors | 127 | 73 |
| Prepayments and accrued income | 94 | 56 |
| | <u>230</u> | <u>139</u> |

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18. Creditors: Amounts falling due within one year

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | £000 | <i>£000</i> |
| Other loans | 2 | 2 |
| Trade creditors | 153 | 133 |
| Other taxation and social security | 48 | 54 |
| Other creditors | 62 | 52 |
| Accruals and deferred income | 210 | 213 |
| | 475 | <i>454</i> |
| | 475 | <i>454</i> |
| | 2020 | <i>2019</i> |
| | £000 | <i>£000</i> |
| Deferred income at 1 September 2019 | 77 | 158 |
| Resources deferred during the year | 185 | 77 |
| Amounts released from previous periods | (77) | (158) |
| | 185 | <i>77</i> |
| | 185 | <i>77</i> |

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

19. Creditors: Amounts falling due after more than one year

| | 2020 | <i>2019</i> |
|-------------|-------------|-------------|
| | £000 | <i>£000</i> |
| Other loans | 14 | 15 |
| | 14 | <i>15</i> |

Included within creditors due within a year is £2,000 (2019: £2,000) and in creditors due more than one year £14,000 (2019: £15,000) in respect of Salix loans from the ESFA. The loans are interest free and both are repayable over the next 6 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2020 £000 |
|-------------------------------------|---|---------------------|-----------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 352 | 234 | (219) | - | - | 367 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 3,169 | (3,150) | (19) | - | - |
| Pupil Premium | - | 134 | (134) | - | - | - |
| Teaching School | - | 40 | (15) | - | - | 25 |
| SCITT | 2 | 192 | (156) | - | - | 38 |
| Other grants | 13 | 563 | (563) | - | - | 13 |
| Pension reserve | (1,893) | - | (168) | - | (329) | (2,390) |
| | <u>(1,878)</u> | <u>4,098</u> | <u>(4,186)</u> | <u>(19)</u> | <u>(329)</u> | <u>(2,314)</u> |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 8,213 | - | (128) | - | - | 8,085 |
| DfE/EFA capital grants | 813 | 238 | (32) | - | - | 1,019 |
| Capital expenditure from GAG | - | - | - | 19 | - | 19 |
| Private sector capital sponsorship | 46 | - | (24) | - | - | 22 |
| | <u>9,072</u> | <u>238</u> | <u>(184)</u> | <u>19</u> | <u>-</u> | <u>9,145</u> |
| Total Restricted funds | <u>7,194</u> | <u>4,336</u> | <u>(4,370)</u> | <u>-</u> | <u>(329)</u> | <u>6,831</u> |
| Total funds | <u><u>7,546</u></u> | <u><u>4,570</u></u> | <u><u>(4,589)</u></u> | <u><u>-</u></u> | <u><u>(329)</u></u> | <u><u>7,198</u></u> |

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

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

General Annual Grant (GAG) must be used for the normal running cost of the academies. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

Other restricted funds carried forward relate to specific grants or funding received and will be spent in accordance with the funding agreement.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | 2020 | <i>2019</i> |
|--|----------------|----------------|
| | £000 | <i>£000</i> |
| Bilton Grange (includes SCITT) | 57 | <i>12</i> |
| Askwith (includes Teaching School) | 154 | <i>110</i> |
| Lothersdale | 52 | <i>70</i> |
| Hawes | 38 | <i>29</i> |
| Leyburn | 27 | <i>39</i> |
| Central services | 115 | <i>107</i> |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 443 | <i>367</i> |
| Restricted fixed asset fund | 9,145 | <i>9,072</i> |
| Pension reserve | (2,390) | <i>(1,893)</i> |
| | <hr/> | <hr/> |
| Total | 7,198 | <i>7,546</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2020 £000 | <i>Total 2019 £000</i> |
|---|--|---|--|--|--------------------------------|--------------------------------|
| Bilton Grange (includes SCITT) | 835 | 349 | 59 | 244 | 1,487 | 1,445 |
| Askwith (includes Teaching School) | 308 | 156 | 37 | 90 | 591 | 666 |
| Lothersdale | 290 | 129 | 39 | 106 | 564 | 561 |
| Hawes | 245 | 124 | 26 | 69 | 464 | 487 |
| Leyburn | 545 | 211 | 37 | 151 | 944 | 943 |
| Central services | 40 | 253 | 2 | 60 | 355 | 366 |
| Academy trust | 2,263 | 1,222 | 200 | 720 | 4,405 | 4,468 |

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20. Statement of funds (continued)

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

| | <i>Balance at 1 September 2018 £000</i> | <i>Income £000</i> | <i>Expenditure £000</i> | <i>Transfers in/out £000</i> | <i>Gains/ (Losses) £000</i> | <i>Balance at 31 August 2019 £000</i> |
|-------------------------------------|---|------------------------|-----------------------------|--------------------------------------|-------------------------------------|---|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 447 | 340 | (435) | - | - | 352 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 3,136 | (3,136) | - | - | - |
| Pupil Premium | - | 123 | (123) | - | - | - |
| Teaching School SCITT | - | 40 | (40) | - | - | - |
| Other grants | 7 | 150 | (155) | - | - | 2 |
| Pension reserve | 4 | 416 | (400) | (7) | - | 13 |
| | (1,287) | - | (179) | - | (427) | (1,893) |
| | (1,276) | 3,865 | (4,033) | (7) | (427) | (1,878) |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 8,341 | - | (128) | - | - | 8,213 |
| DfE/EFA capital grants | 146 | 681 | (14) | - | - | 813 |
| Private sector capital sponsorship | 33 | 24 | (18) | 7 | - | 46 |
| | 8,520 | 705 | (160) | 7 | - | 9,072 |
| Total Restricted funds | 7,244 | 4,570 | (4,193) | - | (427) | 7,194 |
| Total funds | 7,691 | 4,910 | (4,628) | - | (427) | 7,546 |

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21. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 |
|--|---|---|---|--|
| Tangible fixed assets | - | - | 8,965 | 8,965 |
| Current assets | 840 | 76 | 196 | 1,112 |
| Creditors due within one year | (473) | - | (2) | (475) |
| Creditors due in more than one year | - | - | (14) | (14) |
| Provisions for liabilities and charges | - | (2,390) | - | (2,390) |
| Total | 367 | (2,314) | 9,145 | 7,198 |

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2019 £000</i> | <i>Restricted funds 2019 £000</i> | <i>Restricted fixed asset funds 2019 £000</i> | <i>Total funds 2019 £000</i> |
|--|---|---|---|--|
| Tangible fixed assets | - | - | 8,781 | 8,781 |
| Current assets | 804 | 15 | 308 | 1,127 |
| Creditors due within one year | (452) | - | (2) | (454) |
| Creditors due in more than one year | - | - | (15) | (15) |
| Provisions for liabilities and charges | - | (1,893) | - | (1,893) |
| Total | 352 | (1,878) | 9,072 | 7,546 |

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

| | 2020 | <i>2019</i> |
|--|--------------|--------------|
| | £000 | <i>£000</i> |
| Net (expenditure)/income for the period (as per statement of financial activities) | (19) | <i>282</i> |
| Adjustments for: | | |
| Depreciation | 184 | <i>160</i> |
| Capital grants from DfE and other capital income | (240) | <i>(705)</i> |
| Interest receivable | (3) | <i>(5)</i> |
| Defined benefit pension scheme cost less contributions payable | 133 | <i>145</i> |
| Defined benefit pension scheme finance cost | 35 | <i>34</i> |
| Increase in debtors | (91) | <i>(14)</i> |
| Increase/(decrease) in creditors | 22 | <i>(89)</i> |
| Net cash provided by/(used in) operating activities | 21 | <i>(192)</i> |

23. Cash flows from financing activities

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | £000 | <i>£000</i> |
| Cash inflows from new borrowing | - | <i>17</i> |
| Repayments of borrowing | (2) | <i>-</i> |
| Net cash (used in)/provided by financing activities | (2) | <i>17</i> |

24. Cash flows from investing activities

| | 2020 | <i>2019</i> |
|--|--------------|--------------|
| | £000 | <i>£000</i> |
| Dividends, interest and rents from investments | 3 | <i>5</i> |
| Purchase of tangible fixed assets | (368) | <i>(462)</i> |
| Capital grants from DfE Group | 238 | <i>681</i> |
| Capital funding received from sponsors and others | 2 | <i>24</i> |
| Net cash (used in)/provided by investing activities | (125) | <i>248</i> |

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25. Analysis of cash and cash equivalents

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | £000 | <i>£000</i> |
| Cash in hand | 882 | <i>988</i> |
| Total cash and cash equivalents | 882 | <i>988</i> |

26. Capital commitments

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | £000 | <i>£000</i> |
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | 688 | <i>32</i> |

27. Pension commitments

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

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

Contributions amounting to £61,715 were payable to the schemes at 31 August 2020 (2019 - £35,122) and are included within creditors.

Teachers' Pension Scheme

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

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

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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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% employer administration charge)
- 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 2023.

The employer's pension costs paid to TPS in the year amounted to £373,907 (2019 - £266,913).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £214,000 (2019 - £206,000), of which employer's contributions totalled £171,000 (2019 - £160,000) and employees' contributions totalled £ 43,000 (2019 - £46,000). The agreed contribution rates for future years are 18.1 per cent for employers and 5.5 to 6.5 per cent for employees.

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

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27. Pension commitments (continued)

Principal actuarial assumptions

| | 2020 | 2019 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.55 | 3.25 |
| Rate of increase for pensions in payment/inflation | 2.30 | 2.00 |
| Discount rate for scheme liabilities | 1.70 | 1.90 |
| Inflation assumption (CPI) | 2.30 | 2.00 |

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

| | 2020 | 2019 |
|-----------------------------|-------------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.8 | 21.9 |
| Females | 23.9 | 25.1 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.5 | 23.6 |
| Females | 25.7 | 26.9 |

Sensitivity analysis

| | 2020 | 2019 |
|--|--------------|-------|
| | £000 | £000 |
| Discount rate +0.1% | 3,940 | 3,165 |
| Discount rate -0.1% | 4,146 | 3,323 |
| Mortality assumption - 1 year increase | 3,896 | 3,136 |
| Mortality assumption - 1 year decrease | 4,191 | 3,551 |
| CPI rate +0.1% | 4,130 | 3,291 |
| CPI rate -0.1% | 3,956 | 3,196 |

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27. Pension commitments (continued)

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

| | At 31 August 2020 | <i>At 31 August 2019</i> |
|-------------------------------------|------------------------------|------------------------------|
| | £000 | £000 |
| Equities | 978 | 781 |
| Gilts | 330 | 262 |
| Property | 109 | 103 |
| Cash and other liquid assets | 59 | 62 |
| Other | 175 | 142 |
| Total market value of assets | 1,651 | 1,350 |

The actual return on scheme assets was £145,000 (2019 - £70,000).

The amounts recognised in the Statement of financial activities are as follows:

| | 2020 | <i>2019</i> |
|---|--------------|--------------|
| | £000 | £000 |
| Current service cost | (304) | (223) |
| Past service cost | - | (82) |
| Interest cost | (35) | (34) |
| Total amount recognised in the Statement of financial activities | (339) | (339) |

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

| | 2020 | <i>2019</i> |
|------------------------|--------------|--------------|
| | £000 | £000 |
| At 1 September | 3,243 | 2,383 |
| Current service cost | 304 | 223 |
| Interest cost | 62 | 67 |
| Employee contributions | 43 | 46 |
| Actuarial losses | 447 | 464 |
| Benefits paid | (58) | (22) |
| Past service costs | - | 82 |
| At 31 August | 4,041 | 3,243 |

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27. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

| | 2020 | <i>2019</i> |
|------------------------|--------------|--------------|
| | £000 | <i>£000</i> |
| At 1 September | 1,350 | <i>1,096</i> |
| Interest income | 27 | <i>33</i> |
| Actuarial gains | 118 | <i>37</i> |
| Employee contributions | 43 | <i>46</i> |
| Benefits paid | (58) | <i>(22)</i> |
| Employer contributions | 171 | <i>160</i> |
| At 31 August | 1,651 | <i>1,350</i> |

28. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | £000 | <i>£000</i> |
| Amount due within one year | | |
| Not later than 1 year | 7 | <i>1</i> |
| Later than 1 year and not later than 5 years | 2 | <i>6</i> |
| | 9 | <i>7</i> |

29. 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.

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30. Related party transactions

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

During the year, 2 employees of the trust are spouses/partners of trustees who acted during the year. The employment contracts pre date the conversion of the schools to academies and therefore the spouses/partners were not involved in the decision making process regarding their appointment. All 2 employees are paid within the normal pay scale and do not receive special treatment as a result of their relationship to a trustee.

Apart from the above no related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

31. Teaching school trading account

| | 2020 | 2020 | <i>2019</i> | <i>2019</i> |
|---|-------------|-------------|-------------|-------------|
| | £000 | £000 | <i>£000</i> | <i>£000</i> |
| Income | | | | |
| Direct income | | | | |
| Teaching school income | 65 | | <i>60</i> | |
| Total income | | 65 | | <i>60</i> |
| Expenditure | | | | |
| Direct expenditure | | | | |
| Direct staff costs | 15 | | <i>23</i> | |
| Other expenditure | | | | |
| Other support costs | 5 | | <i>14</i> | |
| Total expenditure | | 20 | | <i>37</i> |
| | | <hr/> | | <hr/> |
| Surplus from all sources | | 45 | | <i>23</i> |
| Teaching school balances at 1 September 2019 | | 124 | | <i>101</i> |
| | | <hr/> | | <hr/> |
| Teaching school balances at 31 August 2020 | | 169 | | <i>124</i> |
| | | <hr/> <hr/> | | <hr/> <hr/> |

