

Yorkshire and the Humber Co-operative Learning Trust (A company limited by guarantee)

Financial Statements

31 August 2018

Yorkshire and the Humber Co-operative Learning Trust

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Yorkshire and the Humber Co-operative Learning Trust

Reference and Administrative Details

Members	J Smith I Kelly C Wood M Whitehead P Draper
Trustees (Directors)	C Wood S Jones B Maxwell H Forrest J McIntosh J Trivedy (resigned 31 August 2018) M Dewland (resigned 12 December 2017) S Shaw (resigned 24 September 2018) S Smythe (resigned 12 December 2017) A Smith (appointed 16 October 2018) P Britton (appointed 16 October 2018) C Shepherdson (appointed 16 October 2018) P Thundercliffe (appointed 16 October 2018) M Wood (appointed 16 October 2018)
Company Secretary	S Carrington
Senior Management Team	S Smythe, Chief Executive Officer S Carrington, Chief Financial Officer P Cavanagh, Executive Headteacher (Secondary) J Roe, Executive Headteacher (Primary)
Principal and Registered Office	Kelvin Hall School Bricknell Avenue Hull East Yorkshire HU5 4QH
Registration Number	10375776
Auditor	Smailes Goldie Regent's Court Princess Street Hull East Yorkshire HU2 8BA

Yorkshire and the Humber Co-operative Learning Trust

Reference and Administrative Details (continued)

Bankers Natwest Bank Plc
164 Hallgate
Cottingham
HU14 4YD

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Yorkshire and the Humber Co-operative Learning Trust

Trustees' Report for the Year Ended 31 August 2018

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

The Multi-Academy Trust operates 2 Secondary and 4 Primary Academies in Kingston upon Hull. Its Academies have a combined pupil capacity of 3,221 and had a roll of 3,077 in the schools census in October 2018, (3,091 in October 2017).

Structure, governance and management

Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust. The Trustees of Yorkshire & the Humber Co-operative Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Yorkshire & the Humber Co-operative Learning Trust.

Members' liability

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

Trustees' indemnities

During the year the Multi-Academy Trust had in place third party indemnity provisions for the benefit of the Multi-Academy Trust's Members and Trustees.

Method of recruitment and appointment or election of Trustees

All new Trustees are appointed by the Members and current Trustees are responsible for the day to day management of the Multi-Academy Trust, exercising powers as described in articles 93 to 96 in the Articles of Association.

Full details relating to the appointment and removal of Trustees are contained in the Articles of Association with a brief summary given below.

The Members may appoint up to 5 Trustees by ordinary resolution with their term of office being 4 years. Up to 2 Academy Trustees may be appointed in accordance with any policy decided by the Trustees for the purpose (subject to article 52). The Members may appoint the Chief Executive Officer by ordinary appointment as a Trustee. (Following guidance from the Department of Education, the Chief Executive Officer has not been a Trustee since December 2017). The Trustees may also appoint Co-opted Trustees but may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees, who are employees of the Multi-Academy Trust, would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent that he or she is a Trustee.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees are inducted to their role by the Chair of the Board of Trustees, Chief Executive and Chief Financial Officer.

All Trustees are issued with a Trustees' Handbook, containing key information about their responsibilities as Trustees and Multi-Academy Trust information.

Yorkshire and the Humber Co-operative Learning Trust

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

Arrangements for setting pay and remuneration of key management personnel

Pay arrangements for all staff, including key management personnel, are considered annually by the Finance and Personnel Committee and recommended to the Trust Board for approval.

When setting rates for the CEO and CFO, external Human Resources support was sought and a report with recommendations was considered and approved by the Trust Board.

Trade union facility time

There are no relevant union officials employed by the Academy Trust.

The trust pays into a pooled budget, which enables trade union representatives of all teachers and support staff to represent their members in school on a wide range of issues. The cost of this pooled budget for 2017/18 was £12,570.

Connected organisations, including related party relationships

The Multi-Academy Trust currently has no connected organisations or related party relationships.

Objectives and activities

Objects and aims

The Multi-Academy Trust objectives are set to reflect the educational aims and ethos of each school within the Trust and in line with the cooperative values, within the Articles of Association:

- Openness - we believe in being open with colleagues in our schools and beyond, and with children and their families, sharing information and ideas to raise standards and life chances
- Honesty - we act honestly and with integrity, working in a professional and respectful manner in our dealings with everyone
- Social Responsibility - we maximise our impact on the people in our communities while minimising our footprint on the world
- Caring for others - we treat everyone with respect, care and sensitivity, understanding that children are our absolute priority
- Self-help and self-responsibility - we support learners, parents, carers and staff to help themselves and to take responsibility for their own actions

Objects and aims - continued

The Multi-Academy Trust's aims are:

- To create school communities where people can thrive and talent can grow.
- To ensure learners have every opportunity to succeed, developing self-reliance and a love of learning.
- To promote a culture of the highest possible aspiration for all, ensuring good and outstanding schools continue to thrive, while schools in need of support rapidly improve
- To ensure staff are dedicated to achieving the best outcomes for all learners, understanding their own responsibilities and the need to be accountable for their impact
- To ensure staff are dedicated to being inspiring lifelong learners, committed to working creatively together to develop their own skills and knowledge
- To develop leaders who are flexible, innovative and supportive, whilst also ensuring that all systems are rigorous, robust and challenging in delivering the best possible outcomes for all learners
- To create a co-operative community of schools whereby sharing resources and working together, we deliver a sustainable model of school improvement that is challenging, supportive and effective

Yorkshire and the Humber Co-operative Learning Trust

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

Objectives, strategies and activities

The main objectives between 1st September 2017 and 31st August 2018 were:

- To implement consistent data analysis software across the Trust at both Primary and Secondary level, ensuring timely, accurate and comparable data is presented at Local Governing Bodies and Board level.
- To implement software that streamlines the quality assurance of teaching and learning, providing valuable information to inform Continuing Professional Development and analyses strengths and areas for development across the Multi-Academy Trust.
- To develop a system of governance, whilst continually reviewing, that ensures effective operation of all elements of the Academy Trust and which creates the capacity to grow the Multi-Academy Trust.
- To develop consolidated financial systems, to ensure best planning and use of school resources.
- To create staffing structures capable of managing multiple schools across various phases of education to deliver outstanding results across the board.

Public benefit

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the Multi-Academy Trust's aims and objectives and in planning future activities. The availability and access to the public of the Multi-Academy Trust's facilities is a key object within the Articles of Association.

Yorkshire and the Humber Co-operative Learning Trust

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

Strategic Report

Achievements and performance

Our core belief is that by working together we achieve far more than working separately. All our Academies are committed to our values, specifically: to be schools which serve their communities and are valued and sustained by that community; to work together to combat social exclusion and deprivation and to build a sustainable and vibrant community and local economy; and to provide pupils with a global perspective based on our values, helping them to become responsible and articulate citizens in a global economy. One of the most effective ways we can fulfil our co-operative aims is to work together to help all the pupils in our Multi-Academy Trust to make excellent progress and to achieve the best possible outcomes. All our Academies made improvements in many areas in 2018 and we are pleased with the progress the Multi-Academy Trust as a whole has made.

Key non-financial performance indicators

EYFS GLD (%)		Y1 Phonics (%)	
Chiltern	69.4	Chiltern	80.3
Ings	63.3	Ings	68.6
St Georges	53.3	St Georges	58.6
Stepney	57.1	Stepney	65.5
National	71.5	National	82.5
Average - YHCLT	62.7	Average - YHCLT	70.8
KS1 RWM	ARE	KS2 RWM	ARE
Chiltern	74.1	Chiltern	62
Ings	61.9	Ings	66.7
St Georges	51.6	St Georges	50
Stepney	56.3	Stepney	59.3
National	65.3	National	64
Average - YHCLT	63.2	Average YHCLT	60.1

YHCLT KS2 Progress Measures 2018	Reading	Writing	Maths
Chiltern	-0.7	-0.7	-0.8
Ings	1	-0.6	1.7
St Georges	2.3	-0.4	3.6
Stepney	4.5	0.9	3.1
YHCLT Ave	1.4	-0.3	1.5
National	-	-	-

Yorkshire and the Humber Co-operative Learning Trust
Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Secondary Level Attainment & Progress 2017

Measure	Kelvin Hall School	Newland School for Girls
Progress 8	+0.02	+0.16
Attainment 8	45	47
% Strong Pass (5+) in English and Maths	37%	37%
% Standard Pass (4+) in English and Maths	62%	59%
% Entering EBacc	74%	18%
EBacc average point score	4.15	3.87

Going concern

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

Financial review

The Financial results for the year were as expected.

The Multi-Academy Trust's main source of income was the General Annual Grant (GAG) and this consists of funding for pupils at both primary and secondary level. Other income streams included Universal Infant Free School Meals, Pupil Premium, Early Years and High Needs. This funding was from both the Local Authority and the Education and Skills Funding Agency (ESFA).

This income is based on pupil numbers at each of our Academies. The Multi-Academy Trust also receives Education Services Grant (ESG) funding to cover responsibilities transferred from the Local Authority. However, this is diminishing.

Careful financial management has enabled the Multi-Academy Trust to operate with a surplus At 31st August 2018, balances on the restricted and unrestricted funds of £26,766,000 and £863,000 were carried forward.

The Multi-Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The balance at 31st August 2018 was a net liability of £4,443,000. The employers' contribution rate is currently 20.6%. The Local Government Pension Scheme pension liability is underwritten by the Department of Education.

Yorkshire and the Humber Co-operative Learning Trust

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

Strategic Report

Reserves policy

The Trustees review the reserve level of the Multi-Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The educational obligations that the Multi-Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees need to ensure that the Multi-Academy Trust has sufficient working capital to cover delays between receipt of grants and spending, and are able to deal with unexpected emergencies that may arise such as emergency maintenance. The Multi-Academy Trust's current level of general reserves (Restricted and Unrestricted reserves excluding Fixed Asset and Pension Funds) is £1,349,000. The Trustees are of the view that reserves at this level are sufficient to cover its working capital needs.

Investment policy

The Multi-Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Multi-Academy Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Multi-Academy Trust does not hold any investments at the current time.

Principal risks and uncertainties

The Multi-Academy Trust has identified certain principal risks and uncertainties including:

- Risk that the Multi-Academy Trust or an Academy therein receives an unfavourable OFSTED report
- Fraud discovered at the Multi-Academy Trust or any Academy therein attracts poor publicity
- Insufficient demand for any Academy's services leaves it unsustainable
- Risk that an Academy budget will be in deficit
- Not complying with the "Musts" in the Academies Financial Management Handbook
- Risk that Academy facilities have not been maintained appropriately

The Trustees have reviewed current examples of best practice and:

- Set policies on internal controls which cover the following:
 - The type of risks the Multi-Academy Trust faces
 - The level of risks which they regard as acceptable
 - The likelihood of the risks materializing
 - The Multi-Academy Trust's ability to reduce the incidence and impact on the Multi-Academy Trust's operations of risks that do materialise
- Are currently reviewing the Scheme of Delegation within the organisation to ensure risks are managed at the appropriate level
- Ensured control systems are in place for the Multi-Academy Trust operations to minimise the impact and likelihood of risk

Yorkshire and the Humber Co-operative Learning Trust

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

Strategic Report

Plans for future periods

In order to continue the development of the YHCLT over the next 3 years, we have agreed the following aims:

- Complete Phase 1 in setting up the Multi-Academy Trust and continue to consolidate procedures.
- In Phase 2 to continue to grow the Multi-Academy Trust specifically looking at our 11-16 capacity to support financial sustainability going forward
- In Phase 3 to develop cross regional cooperative groups to strengthen links across Yorkshire and surrounding areas

Key activities include:

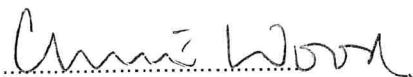
- To increase the number of pupils on roll at Newland School for Girls, to ensure future sustainability
- To develop and grow the recently approved Northern Alliance Teaching School
- To incorporate Sidmouth Primary and Priory Primary Schools into the YHCLT, following approval from the Department for Education
- To continue to develop the Multi-Academy Trust's Central Team to ensure consistency across our estate of Academies

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report was approved by the Board of Trustees on 18 December 2018 and signed on its behalf by:



C Wood
Trustee

Yorkshire and the Humber Co-operative Learning Trust

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the S Smythe, 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 and the Humber Co-operative Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 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
C Wood	7	7
S Jones	6	7
H Forrest	6	7
M Dewland	1	3
J McIntosh	4	7
S Smythe	3	3
B Maxwell	5	7
S Shaw	4	7
J Trivedy	3	7

Governance reviews

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for the detailed consideration as to the best means of fulfilling the Multi-Academy Trust's responsibility to ensure sound management of the Trust, Academy finances and resources, including proper planning, monitoring and probity. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Jones	6	6
C Wood	6	6
H Forrest	5	6
B Maxwell	5	6
S Smythe	1	1

Yorkshire and the Humber Co-operative Learning Trust

Governance Statement (continued)

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for scrutinising the Trust and Academy budgets and finance, internal controls systems and risk management arrangements. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Jones	1	1
C Wood	1	1
H Forrest	1	1
B Maxwell	0	1

Review of value for money

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

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

- Procured insurance centrally for all academies, ensuring a reduced premium;
- Procured primary and secondary data analysis software centrally for all academies within the Academy Trust;
- Completed a detailed tendering process for the professional clerking and governance support services to aid the development of the Academy Trust;
- Secured third party HR support contract through a robust tendering process to provide professional and consistent advice across our Academy Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi-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 and the Humber Co-operative Learning Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Multi-Academy Trust is exposed 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 Multi-Academy Trust's significant risks that has been in place for the ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Yorkshire and the Humber Co-operative Learning Trust

Governance Statement (continued)

The risk and control framework

The Multi-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 Personnel 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 Hull City Council as internal auditor

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

In particular the checks carried out in the current period included:

- Cash Security Systems;
- Banking Procedures;
- Funding;
- Community Use;
- Income/Expenditure procedures;
- Risk Management;
- IT;
- Stewardship;
- School Meals.

The Multi-Academy Trust was also subject to a Financial Management and Governance Self-Assessment which was externally verified by the ESFA Provider and Assurance Team to verify the Trust responses. A copy of this report was shared with the Board of Trustees along with officer comments.

Review of effectiveness

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

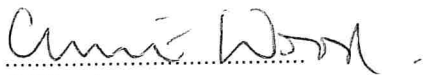
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Yorkshire and the Humber Co-operative Learning Trust

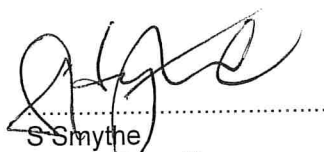
Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 18 December 2018 and signed on its behalf by:



C Wood
Trustee



S Smythe
Accounting officer
Chief Executive Officer

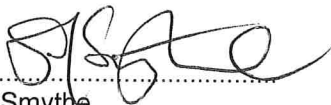
Yorkshire and the Humber Co-operative Learning Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Yorkshire and the Humber Co-operative Learning Trust I have considered my responsibility to notify the Multi-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 Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Multi-Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



S Smythe
Accounting officer

18 December 2018

Yorkshire and the Humber Co-operative Learning Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Yorkshire and the Humber Co-Operative Learning Trust and 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 Annual 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:

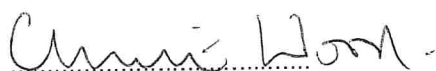
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the Board of Trustees on 18 December 2018 and signed on its behalf by:



C Wood
Trustee

Yorkshire and the Humber Co-operative Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Yorkshire and the Humber Co-operative Learning Trust

Opinion

We have audited the financial statements of Yorkshire and the Humber Co-operative Learning Trust (the 'Multi-Academy Trust') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi-Academy Trust's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Yorkshire and the Humber Co-operative Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Yorkshire and the Humber Co-operative Learning Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 15], the Trustees 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 Multi-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 Multi-Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it 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.

Yorkshire and the Humber Co-operative Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Yorkshire and the Humber Co-operative Learning Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....
Peter Duffield LLB FCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

18 December 2018

Yorkshire and the Humber Co-operative Learning Trust

Independent Reporting Accountant's Report on Regularity to Yorkshire and the Humber Co-operative Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 April 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire and the Humber Co-operative Learning Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the Yorkshire and the Humber Co-operative Learning Trust's funding agreement with the Secretary of State for Education dated 28 October 2016 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the Multi-Academy Trust, including those procured from related parties of the Multi-Academy Trust;
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE;

Yorkshire and the Humber Co-operative Learning Trust

Independent Reporting Accountant's Report on Regularity to Yorkshire and the Humber Co-operative Learning Trust and the Education & Skills Funding Agency (continued)

- Ensuring that expenditure incurred through the Multi-Academy Trust bank account and debit card is appropriate for the purposes of the Multi-Academy Trust and that there has been no personal expenditure from the Multi-Academy Trust funds;
- Ensuring pension contributions are paid to the respective schemes in a timely manner;
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

18 December 2018

Yorkshire and the Humber Co-operative Learning Trust

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

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000	
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	7	2	464	473	102
Transfer from local authority on conversion		-	-	-	-	30,712
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	611	17,695	-	18,306	12,488
Teaching schools		6	63	-	69	-
Other trading activities	4	166	-	-	166	91
Total		790	17,760	464	19,014	43,393
Expenditure on:						
Raising funds	5	36	-	-	36	90
<i>Charitable activities:</i>						
Academy trust educational operations	6	1,277	18,076	860	20,213	13,785
Teaching schools	25	-	74	-	74	-
Total		1,313	18,150	860	20,323	13,875
Net (expenditure)/income		(523)	(390)	(396)	(1,309)	29,518
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	-	1,307	-	1,307	(266)
Adjustments to fixed assets		-	-	(1,621)	(1,621)	-
Net movement in (deficit)/funds		(523)	917	(2,017)	(1,623)	29,252
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2017		1,386	(4,874)	32,740	29,252	-
Total funds/(deficit) carried forward at 31 August 2018		863	(3,957)	30,723	27,629	29,252

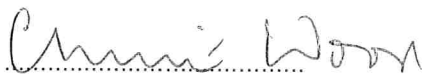
Yorkshire and the Humber Co-operative Learning Trust

(Registration number: 10375776)

Balance Sheet as at 31 August 2018

	Note	31 August 2018 £ 000	31 August 2017 £ 000
Fixed assets			
Intangible assets	12	15	24
Tangible assets	13	30,424	32,666
		<u>30,439</u>	<u>32,690</u>
Current assets			
Debtors	14	777	919
Cash at bank and in hand		2,096	2,157
		<u>2,873</u>	<u>3,076</u>
Creditors: Amounts falling due within one year	15	<u>(1,240)</u>	<u>(1,548)</u>
Net current assets		<u>1,633</u>	<u>1,528</u>
Total assets less current liabilities		<u>32,072</u>	<u>34,218</u>
Net assets excluding pension liability		32,072	34,218
Pension scheme liability	23	<u>(4,443)</u>	<u>(4,966)</u>
Net assets including pension liability		<u>27,629</u>	<u>29,252</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(3,957)	(4,874)
Restricted fixed asset fund		30,723	32,740
		<u>26,766</u>	<u>27,866</u>
Unrestricted funds			
Unrestricted general fund		863	1,386
Total funds		<u>27,629</u>	<u>29,252</u>

The financial statements on pages 21 to 50 were approved by the Board of Trustees, and authorised for issue on 18 December 2018 and signed on their behalf by:



C Wood
Trustee

Yorkshire and the Humber Co-operative Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	31 August 2018 £ 000	31 August 2017 £ 000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(287)	2,317
Cash inflows/(outflows) from investing activities	20	<u>226</u>	<u>(160)</u>
Change in cash and cash equivalents in the year		(61)	2,157
Cash and cash equivalents at 1 September		<u>2,157</u>	<u>-</u>
Cash and cash equivalents at 31 August	21	<u>2,096</u>	<u>2,157</u>

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies

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

Basis of preparation

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

Going concern

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

Income

All incoming resources are recognised when the Multi-Academy Trust has entitlement to the funds, when the receipt is probable and when 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 on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

Where assets and liabilities are received by the Multi-Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Multi-Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated fixed assets

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

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Multi-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 Multi-Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi-Academy Trust apportioned to charitable activities.

Intangible fixed assets

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Purchased computer software	33.33% per annum

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £3,000 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 lives, per the table below.

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

Asset class	Depreciation method and rate
Buildings	2% per annum
Furniture & Equipment	15% per annum
ICT Equipment	33.3% per annum

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 Multi-Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

Financial Instruments

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-Academy Trust and their measurement basis are as follows:

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

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

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

Taxation

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

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

Pension benefits

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Yorkshire and the Humber Co-operative Learning Trust

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

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

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

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Other voluntary income				
Capital grants	-	451	451	56
Other donations	7	15	22	46
	<hr/>	<hr/>	<hr/>	<hr/>
	7	466	473	102

Yorkshire and the Humber Co-operative Learning Trust

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

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	15,518	15,518	10,768
Other DfE/ ESFA grants	-	1,971	1,971	1,165
	-	17,489	17,489	11,933
Other government grants				
Local authority grants	-	126	126	94
Non-government grants and other income				
Other income from the academy trust's operations	611	80	691	461
Total grants	611	17,695	18,306	12,488

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Hire of facilities	136	-	136	59
Other sales	30	-	30	32
	166	-	166	91

Yorkshire and the Humber Co-operative Learning Trust

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

5 Expenditure

	Non Pay Expenditure			2017/18 Total £ 000	2016/17 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds					
Allocated support costs	-	-	36	36	90
Academy's educational operations					
Direct costs	12,868	621	1,205	14,694	10,096
Allocated support costs	2,185	1,096	2,238	5,519	3,689
Teaching School	73	-	1	74	-
	<u>15,126</u>	<u>1,717</u>	<u>3,480</u>	<u>20,323</u>	<u>13,875</u>

Net income/(expenditure) for the year includes:

	2017/18 £ 000	2016/17 £ 000
Operating lease rentals	30	22
Depreciation	832	655
Amortisation of intangible fixed assets	9	6
Fees payable to auditor - audit	22	11
Fees payable to auditor - other audit services	5	-
	<u>5</u>	<u>-</u>

6 Charitable activities

	2017/18 £ 000	2016/17 £ 000
Direct costs - educational operations	14,694	10,096
Support costs - educational operations	5,519	3,689
	<u>20,213</u>	<u>13,785</u>

Yorkshire and the Humber Co-operative Learning Trust

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

6 Charitable activities (continued)

	2017/18 Total £ 000	2016/17 Total £ 000
Analysis of support costs		
Support staff costs	2,185	1,369
Depreciation	220	169
Technology costs	89	226
Premises costs	876	840
Other support costs	2,103	1,062
Governance costs	46	23
Total support costs	<u>5,519</u>	<u>3,689</u>

7 Staff

Staff costs

	2017/18 £ 000	2016/17 £ 000
Staff costs during the year were:		
Wages and salaries	11,325	7,631
Social security costs	1,020	679
Operating costs of defined benefit pension schemes	2,488	1,579
Apprenticeship levy	44	14
	<u>14,877</u>	<u>9,903</u>
Supply staff costs	212	75
Staff restructuring costs	36	4
	<u>15,125</u>	<u>9,982</u>
	31 August 2018 £ 000	31 August 2017 £ 000

Staff restructuring costs comprise:

Redundancy payments	<u>36</u>	<u>4</u>
---------------------	-----------	----------

The staff costs for 2016/17 cover the period from 14 September 2016 to 31 August 2017 and relate to the constituent six schools, which had joined the trust at varying dates throughout that period. The for 2017/18 relate to the constituent six schools and were incurred for the full academic year.

Yorkshire and the Humber Co-operative Learning Trust

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

7 Staff (continued)

Staff numbers

The average number of persons employed by the Multi-Academy Trust during the year was:

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	207	155
Administration and support	333	289
Management	4	8
	<hr/>	<hr/>
	544	452

Higher paid staff

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

	31 August 2018 No	31 August 2017 No
£60,001 - £70,000	5	1
£70,001 - £80,000	2	-
£80,001 - £90,000	1	1
£100,001 - £110,000	1	-
	<hr/>	<hr/>

Key management personnel

The key management personnel of the Multi-Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust was £396,683 (2017: £550,752).

8 Central services

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

- human resources
- financial services
- legal services
- educational support services
- other as arising

The Multi-Academy Trust charges for these services on the following basis:

- Secondary 5.25% and Primary 4% of GAG funding.

Yorkshire and the Humber Co-operative Learning Trust

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

8 Central services (continued)

The actual amounts charged during the year were as follows:

	31 August 2018 £ 000	31 August 2017 £ 000
Kelvin Hall School	377	185
Chiltern Primary School	66	42
Stepney Primary School	36	23
Ings Primary School	41	22
St Georges Primary School	36	22
Newland School for Girls	90	-
	<hr/> 646	<hr/> 294

9 Related party transactions - trustees' remuneration and expenses

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

S Smythe (Chief Executive Officer - resigned 12 December 2017):

Remuneration: £30,000 - £35,000 (2017 - £80,000 - £85,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £10,000 - £15,000)

There were no trustees expenses paid for the year ended 31st August 2018 or 31st August 2017.

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Multi Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,120 (2017 - £1,100).

The cost of this insurance is included in the total insurance cost.

Yorkshire and the Humber Co-operative Learning Trust

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

11 Statement of financial activities for prior year

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2016/17 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital	2	11	-	91	102
Transfer from local authority on conversion		1,522	(4,048)	33,238	30,712
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	312	12,176	-	12,488
Other trading activities	4	91	-	-	91
Total		1,936	8,128	33,329	43,393
Expenditure on:					
Raising funds	5	90	-	-	90
<i>Charitable activities:</i>					
Academy trust educational operations	6	460	12,664	661	13,785
Total		550	12,664	661	13,875
Net income/(expenditure)		1,386	(4,536)	32,668	29,518
Transfers between funds		-	(72)	72	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(266)	-	(266)
Net movement in funds/(deficit)		1,386	(4,874)	32,740	29,252
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2017		1,386	(4,874)	32,740	29,252

Yorkshire and the Humber Co-operative Learning Trust

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

12 Intangible fixed assets

	Computer software £ 000	Total £ 000
Cost		
At 1 September 2017	30	30
At 31 August 2018	30	30
Amortisation		
At 1 September 2017	6	6
Charge for the year	9	9
At 31 August 2018	15	15
Net book value		
At 31 August 2018	15	15
At 31 August 2017	24	24

13 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and fixtures £ 000	Plant and equipment £ 000	Total £ 000
Cost				
At 1 September 2017	32,769	119	433	33,321
Adjustments	(1,615)	-	-	(1,615)
Additions	22	95	96	213
At 31 August 2018	31,176	214	529	31,919
Depreciation				
At 1 September 2017	492	24	139	655
Adjustments	7	-	-	7
Charge for the year	621	39	173	833
At 31 August 2018	1,120	63	312	1,495
Net book value				
At 31 August 2018	30,056	151	217	30,424
At 31 August 2017	32,277	95	294	32,666

Yorkshire and the Humber Co-operative Learning Trust

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

13 Tangible fixed assets (continued)

As explained in last year's financial statements, there was no reliable estimate of the fair value of the freehold land and buildings inherited on conversion. Freehold property valuations have now been recognised in the financial statements and corrections of those previous accounting estimates have been shown as adjustments in the foregoing table.

Included in cost or valuation of land and buildings is freehold land of £555,000, which is not depreciated.

During the year, land and buildings at Newland School for Girls site were held under a tenancy at will agreement with the Hull City Council and therefore have not been recognised in the accounts of the Multi-Academy Trust as at 31 August 2018.

14 Debtors

	31 August 2018 £ 000	31 August 2017 £ 000
Trade debtors	14	10
Other debtors	248	437
Prepayments	515	472
	<hr/> 777	<hr/> 919

Prepayments includes £19,606 which is due after more than one year.

15 Creditors: amounts falling due within one year

	31 August 2018 £ 000	31 August 2017 £ 000
Trade creditors	423	490
Other taxation and social security	262	251
Other creditors	237	220
Accruals and deferred income	318	587
	<hr/> 1,240	<hr/> 1,548

Deferred income

	31 August 2018 £ 000	31 August 2017 £ 000
Deferred income at 1 September 2017	171	-
Resources deferred in the period	117	171
Amounts released from previous periods	(171)	-
Deferred income at 31 August 2018	<hr/> 117	<hr/> 171

Yorkshire and the Humber Co-operative Learning Trust

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

15 Creditors: amounts falling due within one year (continued)

Deferred income comprises monies relating to future academic years. Amounts carried forward relate to:

	31 August 2018 £000	31 August 2017 £000
School Trips	8	18
Universal Free School Meals	72	67
Rates Relief	22	34
Year 7 catch up grant	15	11
ICT managed service income	-	41
	<hr/>	<hr/>
	117	171
	<hr/>	<hr/>

Yorkshire and the Humber Co-operative Learning Trust

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

16 Funds

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	15,518	(15,250)	-	268
Pupil Premium	92	1,336	(1,210)	-	218
Other DfE/ESFA Grants	-	813	(813)	-	-
Pension fund	(4,966)	-	(784)	1,307	(4,443)
Other grants	-	93	(93)	-	-
	<u>(4,874)</u>	<u>17,760</u>	<u>(18,150)</u>	<u>1,307</u>	<u>(3,957)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	132	451	(19)	(280)	284
Capital Expenditure from GAG	69	-	(4)	(8)	57
Inherited on conversion	32,539	-	(813)	(1,622)	30,104
Other fixed assets	-	13	(24)	289	278
	<u>32,740</u>	<u>464</u>	<u>(860)</u>	<u>(1,621)</u>	<u>30,723</u>
Total restricted funds	27,866	18,224	(19,010)	(314)	26,766
Unrestricted funds					
Unrestricted general funds	1,386	790	(1,313)	-	863
Total funds	<u>29,252</u>	<u>19,014</u>	<u>(20,323)</u>	<u>(314)</u>	<u>27,629</u>

Yorkshire and the Humber Co-operative Learning Trust

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

16 Funds (continued)

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

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds				
General Annual Grant (GAG)	10,769	(10,697)	(72)	-
Pupil Premium	948	(856)	-	92
Other DfE/ESFA Grants	553	(553)	-	-
Pension fund	(4,299)	(401)	(266)	(4,966)
Other grants	157	(157)	-	-
	<u>8,128</u>	<u>(12,664)</u>	<u>(338)</u>	<u>(4,874)</u>
Restricted fixed asset funds				
DfE/ESFA Capital Grant	148	(16)	-	132
Capital Expenditure from GAG	-	(3)	72	69
Inherited on conversion	33,181	(642)	-	32,539
	<u>33,329</u>	<u>(661)</u>	<u>72</u>	<u>32,740</u>
Total restricted funds	41,457	(13,325)	(266)	27,866
Unrestricted funds				
Unrestricted general funds	1,936	(550)	-	1,386
Total funds	<u>43,393</u>	<u>(13,875)</u>	<u>(266)</u>	<u>29,252</u>

Yorkshire and the Humber Co-operative Learning Trust

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

16 Funds (continued)

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

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds				
General Annual Grant (GAG)	26,287	(25,947)	(72)	268
Pupil Premium	2,284	(2,066)	-	218
Other DfE/ESFA Grants	1,366	(1,366)	-	-
Pension fund	(4,299)	(1,185)	1,041	(4,443)
Other grants	250	(250)	-	-
	<u>25,888</u>	<u>(30,814)</u>	<u>969</u>	<u>(3,957)</u>
Restricted fixed asset funds				
DfE/ESFA Capital Grant	599	(35)	(280)	284
Capital Expenditure from GAG	-	(7)	64	57
Inherited on conversion	33,181	(1,455)	(1,622)	30,104
Other fixed assets	13	(24)	289	278
	<u>33,793</u>	<u>(1,521)</u>	<u>(1,549)</u>	<u>30,723</u>
Total restricted funds	59,681	(32,335)	(580)	26,766
Unrestricted funds				
Unrestricted general funds	2,726	(1,863)	-	863
Total funds	<u>62,407</u>	<u>(34,198)</u>	<u>(580)</u>	<u>27,629</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Multi-Academy Trust. Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to limit on the amount of GAG that it could carry forward as at 31 August 2018.

Other DfE/ESFA grants, other government grants and other grants and income, including Pupil Premium, must be used for the specific purposes for which they are given. Such grants and income enable the Multi-Academy Trust to fulfil its charitable objectives.

Restricted Pension Reserve relates to the deficit on the Local Government Pension Scheme.

Restricted Fixed Assets Funds include donated by the Local Authority on conversion to academy, DfE/ESFA Capital Grants Fund and Capital Expenditure from GAG Fund. These funds represent fixed assets transferred on conversion to a Multi-Academy Trust, assets funded by capital grants and purchased from General Annual Grant funds.

Yorkshire and the Humber Co-operative Learning Trust

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

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	31 August 2018 £ 000	31 August 2017 £ 000
Kelvin Hall School	793	977
Chiltern Primary School	40	97
Stepney Primary School	132	121
St Georges Primary School	79	67
Ings Primary School	52	45
Newland School for Girls	182	129
Central services	71	42
Total before fixed assets and pension reserve	1,349	1,478
Fixed asset funds	30,723	32,740
Pension scheme liability	(4,443)	(4,966)
Total	27,629	29,252

Analysis of academies by cost

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 2018 £ 000
Kelvin Hall School	5,189	834	707	1,498	8,228
Stepney Primary School	696	151	48	226	1,120
Chiltern Primary School	1,533	236	90	416	2,275
Ings Primary School	918	152	78	253	1,400
St Georges Primary School	822	153	43	187	1,205
Newland School for Girls	2,865	447	274	788	4,375
Central services	705	161	(37)	31	860
Total	12,728	2,134	1,203	3,399	19,463

Yorkshire and the Humber Co-operative Learning Trust

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

16 Funds (continued)

	Total 31 August 2017 £ 000
Kelvin Hall School	6,901
Stepney Primary School	914
Chiltern Primary School	1,859
Ings Primary School	1,019
St Georges Primary School	984
Newland School for Girls	1,171
Central services	378
Total	13,226

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	15	15
Tangible fixed assets	-	-	30,424	30,424
Current assets	863	1,726	284	2,873
Current liabilities	-	(1,240)	-	(1,240)
Pension scheme liability	-	(4,443)	-	(4,443)
Total net assets	863	(3,957)	30,723	27,629

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	24	24
Tangible fixed assets	-	-	32,666	32,666
Current assets	1,386	1,640	50	3,076
Current liabilities	-	(1,548)	-	(1,548)
Pension scheme liability	-	(4,966)	-	(4,966)
Total net assets	1,386	(4,874)	32,740	29,252

Yorkshire and the Humber Co-operative Learning Trust

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

18 Commitments under operating leases

Operating leases

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

	31 August 2018 £ 000	31 August 2017 £ 000
Amounts due within one year	29	24
Amounts due between one and five years	38	39
	<u>67</u>	<u>63</u>

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

	2017/18 £ 000	2016/17 £ 000
Net (expenditure)/income	(1,309)	29,518
Amortisation	9	6
Depreciation	833	655
Capital grants from DfE and other capital income	(451)	(56)
Interest payable	12	10
Defined benefit pension scheme cost less contributions payable	653	309
Defined benefit pension scheme finance cost	131	94
Transfer from local authority on conversion	-	(30,712)
Decrease/(increase) in debtors	143	(919)
(Decrease)/increase in creditors	(308)	1,548
Cash transferred on conversion to an academy trust	-	1,864
Net cash (used in)/provided by Operating Activities	<u>(287)</u>	<u>2,317</u>

20 Cash flows from investing activities

	2017/18 £ 000	2016/17 £ 000
Purchase of intangible fixed assets	-	(30)
Purchase of tangible fixed assets	(213)	(176)
Capital funding received from sponsors and others	451	56
Interest paid	(12)	(10)
Net cash provided by/(used in) investing activities	<u>226</u>	<u>(160)</u>

Yorkshire and the Humber Co-operative Learning Trust

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

21 Analysis of cash and cash equivalents

	31 August 2018 £ 000	31 August 2017 £ 000
Cash at bank and in hand	2,096	2,157
Total cash and cash equivalents	<u>2,096</u>	<u>2,157</u>

22 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.

23 Pension and similar obligations

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

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

Contributions amounting to £233,966 (2017: £218,190) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Yorkshire and the Humber Co-operative Learning Trust

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

23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,148,327 (2017: £746,621). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £890,000 (2017 - £666,000), of which employer's contributions totalled £700,000 (2017 - £533,000) and employees' contributions totalled £190,000 (2017 - £133,000). The agreed contribution rates for future years are 20.71 per cent for employers and between 5.5 and 10.5 per cent for employees.

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

Principal actuarial assumptions

	31 August 2018	31 August 2017
	%	%
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50

Yorkshire and the Humber Co-operative Learning Trust

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

23 Pension and similar obligations (continued)

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

	31 August 2018	31 August 2017
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	26.40	26.40
Sensitivity analysis		
	31 August 2018	31 August 2017
	£000	£000
Discount rate -0.5%	(243)	(1,299)
Inflation +0.5%	289	309
Pension increase rate +0.5%	1,106	963

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

	31 August 2018	31 August 2017
	£ 000	£ 000
Equities	3,717	2,822
Government bonds	671	517
Property	620	437
Cash and other liquid assets	155	199
Total market value of assets	5,163	3,975

The actual return on scheme assets was £188,000 (2017 - £217,000).

Yorkshire and the Humber Co-operative Learning Trust

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

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017/18 £ 000	2016/17 £ 000
Interest income	(111)	(66)
Interest cost	242	160
Total amount recognised in the SOFA	<u>131</u>	<u>94</u>

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

	2017/18 £ 000	2016/17 £ 000
At start of period	8,940	-
Conversion of academy trusts	-	7,324
Current service cost	1,344	840
Interest cost	242	160
Actuarial (gain)/loss	(1,119)	483
Benefits paid	190	133
Past service cost	9	-
At 31 August	<u>9,606</u>	<u>8,940</u>

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

	2017/18 £ 000	2016/17 £ 000
At start of period	3,974	-
Conversion of academy trusts	-	3,025
Interest income	111	66
Actuarial gain/(loss)	188	217
Employer contributions	700	533
Benefits paid	190	133
At 31 August	<u>5,163</u>	<u>3,974</u>

24 Related party transactions

Owing to the nature of the Multi-Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Multi-Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Yorkshire and the Humber Co-operative Learning Trust

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

24 Related party transactions (continued)

Expenditure related party transactions

During the year the Multi-Academy Trust made the following related party transactions:

JL Shaw - the son of S Shaw (a trustee of the trust)

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

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

At the balance sheet date the amount due to JL Shaw was £Nil (2017 - £Nil).

25 Teaching school trading account

	2017/18 £ 000
Income	
Direct Income	
Other income	60
Other Income	
Fundraising and other trading activities	9
Total Income	<u>69</u>
Expenditure	
Direct costs	
Direct staff costs	72
Other direct costs	2
Total direct costs	<u>74</u>
Total Expenditure	<u>(74)</u>
Deficit from all sources	<u>(5)</u>
Teaching school balances at 31 August 2018	<u>(5)</u>

26 Events after the end of the reporting period

The Trust incorporated both Priory and Sidmouth Primary Schools into the MAT on 1 September 2018, taking the number of member schools to eight. In line with the Trusts strategic development plan we aim to consolidate with our current schools and procedures whilst looking for opportunities to expand, specifically at secondary level.

