

Company Registration No. 07663935



Yorkshire Causeway Schools Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2017

Yorkshire Causeway Schools Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop of Leeds as Diocesan Bishop Ms Claire Kelley, Chair of Board of Trustees Mr Richard Noake Director of Education of the Diocesan Board of Education The Reverend Matthew Evans as The Incumbent of Christ Church, High Harrogate Mr David Fisher representing the Parochial Church Council of the Ecclesiastical Parish of St Peter's, High Harrogate Mrs Jane Boyd representing The Parochial Church Council of Christ Church, High Harrogate Reverend Nigel Sinclair as appointee of the Diocesan Board of Education	
Trustees	Ms Claire Kelley (Chair) Mr John Bushell Mr David Fisher Mr John Wood Mr Terence Harrison Mr Philip Titchmarsh Mr Martin Wicks Mr Steven Scarisbrick Mr Seth King Mr Andrew Symonds Dr Jill Adam Ms Alison Glover	
Company Secretary	Mr Christopher Burt	
Senior Management Team	Mr John Wood Mr Christopher Burt Mr Andrew Symonds Mrs Julia Collins Mrs Jane Turner Mrs Elizabeth Robson Mr Andrew Phoenix	Accounting Officer CFO Headteacher Headteacher Headteacher Headteacher Headteacher
Company Name	Yorkshire Causeway Schools Trust	
Principal and Registered Office	St. Aidan's Church of England High School Oatlands Drive Harrogate, North Yorkshire HG2 8JR	
Company Registration Number	07663935 (England and Wales)	
Independent Auditor	RSM UK Audit LLP Fifth Floor Central Square 29 Wellington Street Leeds, West Yorkshire LS1 4DL	
Bankers	Lloyds Bank PLC 2 Pavement York, North Yorkshire YO1 9LB	
Solicitors	Stone King Solicitors 1 Aire Street Leeds, West Yorkshire LS1 4PR	

Yorkshire Causeway Schools Trust

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Yorkshire Causeway Schools Trust (henceforth known as the "Trust") operates a secondary and five primary academies in Harrogate. The Trust has a combined pupil roll of 3,287 in the school census October 2017.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 9 June 2011. The Charitable Company's memorandum and articles of association dated 19 August 2015 are the primary governing documents of the Trust. The trustees of Yorkshire Causeway Schools Trust are also the directors of the Charitable Company for the purposes of company law. The charitable company is known as Yorkshire Causeway Schools Trust.

Details of the trustees who served throughout the year, except as noted, are included in the reference and administrative details on page 1.

During the year, one school, Hampsthwaite C of E Primary School has converted to academy status and joined the Trust.

The Trust consists of six academies:

St. Aidan's C of E High School
Richard Taylor C of E Primary School
St Peter's C of E Primary School
Pannal Primary School
Oatlands Infant School
Hampsthwaite C of E Primary School (converted 1 February 2017)

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

Principal activity

The principle object and activity of the Charitable Company is the operation of Yorkshire Causeway Schools Trust to advance, for the public benefit, education for students of different abilities between the ages of 3 and 19.

Yorkshire Causeway Schools Trust

TRUSTEES' REPORT

Method of recruitment and appointment or election of trustees

As clearly set out in the Articles of Association, the members may appoint a minimum of 5 trustees. The members shall ensure that the total number of trustees (including the Executive Principal) who are employees of the Trust does not exceed one third of the total number of trustees.

Trustees are to include the following:

- One trustee to be appointed by The Parochial Church Council of the Ecclesiastical Parish of Saint John and St Luke, Bilton, Harrogate;
- One trustee to be appointed by Richard Taylor's Educational Foundation (charity number 529568);
- The Executive Principal;
- The headteacher of St. Aidan's Church of England High School of Oatlands Drive, Harrogate, North Yorkshire, HG2 8JR (where the same is not also the Executive Principal);
- The headteacher of Richard Taylor Church of England Primary School of Bilton Lane, Harrogate, North Yorkshire, HG1 3DT (where the same is not also the Executive Principal); and
- Parent trustees if appointed under Articles 53-56 in the event that no provision is made for parent representatives on Local Governing Bodies under Article. The Trust may also have any co-opted trustee appointed under Article 58.

With the exception of co-opted and ex-officio trustees, all other trustees are appointed for a four-year period. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

All trustees are given the opportunity to attend training sessions. Trustees are sharing experience and skills as a group and individually where appropriate.

Each year, all trustees and governors of the local governing bodies (henceforth known as LGBs) attend the annual Trust's training evening, which provides: updates on relevant issues, changes in legislation and the opportunity to network. This year the event was held 29 June 2017. Tessa Mason was the keynote speaker. During her speech, Tessa shared her experiences as a DfE adviser and as a trustee of a large, growing MAT. Following her speech, governors attended short workshops focusing on; Growth, Estates and Finance, Teacher Training, Inclusion and Safeguarding, Teaching and Learning, Technology and Communication and Governance. Governors considered various questions posed by Tessa during her speech and gave feedback, detailing key development areas and challenges for the MAT over the coming 12 months.

Organisational Structure

The Trust includes St. Aidan's Church of England High School, Richard Taylor Church of England Primary School, St. Peter's Church of England Primary School, Pannal Primary School, Oatlands Infant School and Hampsthwaite C of E Primary School (converted 1 February 2017). The Trust also has a 100% holding in the issued share capital of St. Aidan's Education Services Limited, a company registered in England and Wales. During the year the company has become dormant and will not be trading for the foreseeable future.

The Trust supports its academies through an experienced Board of Trustees who are responsible for identifying and establishing strategies and policies, and for ensuring that these are implemented throughout the organisation. The board normally meets at least four times a year.

The Trust has an Audit, Finance and Risk Management committee to support the work of the trustees. The committee meets four times a year and reports to the Trust's board.

There are shared central functions for finance and payroll. All appointments, with the exception of headteachers, are made locally. Admission policies and numbers are set by each LGB under the direction of the board.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Principal and Clerk to the trustees and to approve the annual budget.

Yorkshire Causeway Schools Trust

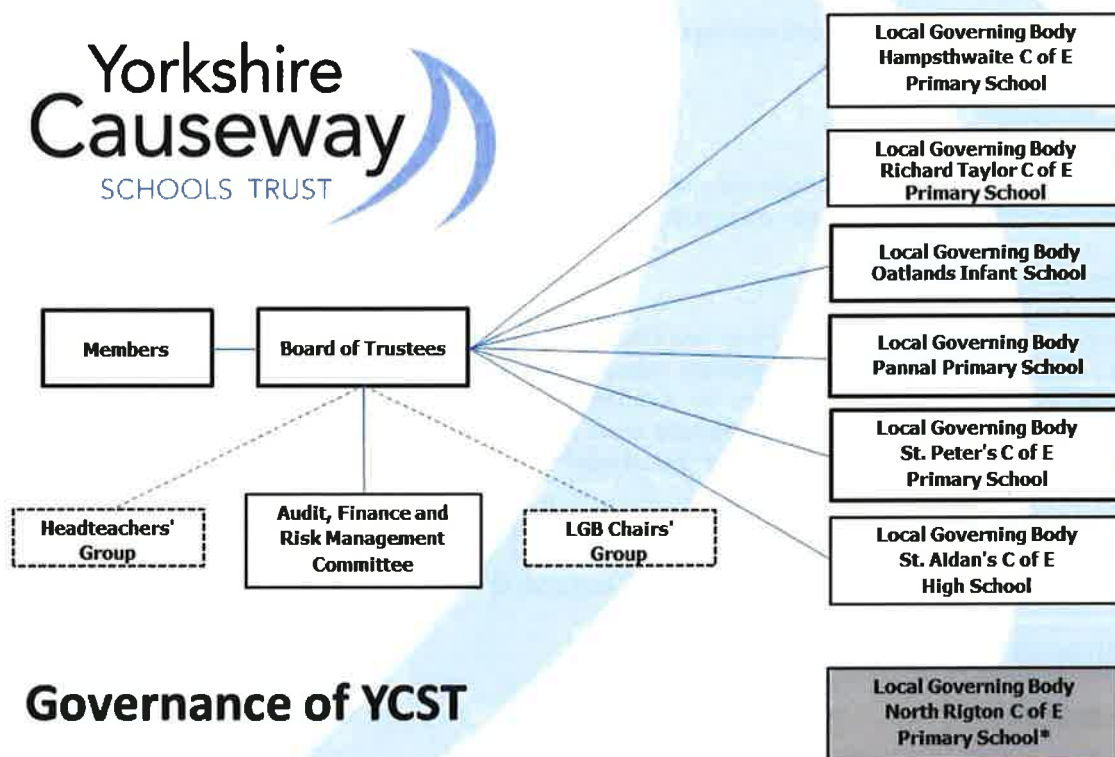
TRUSTEES' REPORT

Organisational Structure (continued)

The board is responsible for ensuring that the church or community character of schools is upheld and works with the LGB to ensure that this is achieved.

All trustees and governors give their time freely and no remuneration was paid in the year in respect of their duties. During the year, expenses totalling £511 (2016: £nil) were reimbursed to trustees and governors.

The Executive Principal is the accounting officer.



*Schools where the LGB has resolved to convert to Academy status and are in the process of joining YCST

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of each academy's key management personnel are reviewed annually by the Finance subcommittees and approved by the LGB. The Trust follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

The Executive Principal's salary is approved by the trustees.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of Yorkshire Causeway Schools Trust.

St. Aidan's, Richard Taylor, St. Peter's and Hampsthwaite are Church of England academies. None of the academies are sponsored.

St. Aidan's Church of England High School operates its Sixth Form in association with St. John Fisher Catholic

Yorkshire Causeway Schools Trust

TRUSTEES' REPORT

Related parties and other connected charities and organisations (continued)

High School. The St. Aidan's and St. John Fisher Associated Sixth Form is a highly integrated collaboration between the two schools that has been in existence since its creation in 1973. The two school sites are close together and teaching is shared between the schools. The governing bodies of the schools appoint governors to attend regular associated governors' meetings and there are weekly meetings of representatives of the senior leadership teams at both schools.

Employee consultation/communication

The Trust has a regular system of staff briefings and internal communications via newsletters, emails and focused group meetings.

Risk Management

The trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Catchment area

The Trust operates six academies including; one Church of England secondary school, two community primary schools and three Church of England primary schools. The primary schools serve the Harrogate district. As academies, the Local Governing Body is the Admissions Authority. Admissions to community schools are managed by the Local Authority and catchment areas are available on the North Yorkshire County Council website. There are no catchment areas for the church schools.

Where more applications for a church school place are received than places are available, over-subscription criteria applies. Each school's criteria are published on their website. Priority is given in all schools to children in public care (looked after children), and previously looked after children.

Objectives and Activities

Objects and Aims

The Trust has entered into a funding agreement with the Department of Education (henceforth known as DfE), which provides a framework in which the Trust must operate. The principal activity of the Trust is to advance for the public benefit, education in the local area, in particular, but without prejudice to the generality of the foregoing, by establishing, carrying on, managing and developing schools offering a broad and balanced curriculum. For its church academies, the Trust provides education in accordance with the principles and practices of the Church of England.

Objectives, Strategies and Activities

The Trust was founded in March 2015 with the aim of bringing together a family of schools that share common values, interests and purpose. Based in and around Harrogate, the Trust aims to be outward looking. It is built on the strength gained from every school in Trust being a valued and significant part of the organisation. The Trust includes both Church of England and community schools and places its pupils at the heart of everything it does.

The Trust's mission statement is:

"Where everyone is valued and respected, where we share commitment to education that is ambitious, setting the highest expectations and where integrity is the foundation."

All Saints C of E Primary School has received academy orders and is expected to convert and join the Trust within the first three months of 2018.

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TRUSTEES' REPORT

Objectives, Strategies and Activities (continued)

A group made up of the headteachers from the Trust and All Saints Primary School meet fortnightly to agree strategic direction and provide support. An annual training day took place January 2017 for the Trust's primary schools. The event focused on key areas including literacy support, maths mastery, safeguarding and early years provision. Regular curriculum and finance/administration network groups meet throughout the year to share good practice and provide a consistent approach across the Trust. Chairs of Trust LGBs meet regularly to share news and best practice and to receive updates from Trust board meetings.

The Trust's key objectives are:

- to raise the standard of educational achievement of all its students;
- to improve effectiveness by keeping the curriculum and organisational structure under continual review;
- to ensure that every child attending enjoys the same high quality education in terms of resourcing, tuition and care;
- to provide value for money for the funds expended; and
- to support each academy in retaining its unique identity and achieving its mission whilst assuring compliance with the Academies Financial Handbook and statutory and curriculum requirements.

Public Benefit

The trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

Strategic Report

School	Ofsted Outcome	Headline Results for year ending 31 August 2017			Pupil No actual/Capacity October 2017	Attendance
St. Aidan's C of E High School	Outstanding 2006	<ul style="list-style-type: none"> - 9-4 in both English and Maths 89% - 9-5 in both English and Maths 76% - 9-7/A*-A across all subjects 47% - 9-4/A*-C across all subjects 91% - 9-7 in English 50% - 9-7 in Maths 43% <p>St. Aidan's and St John Fisher Associated Sixth Form</p> <p>A Level grades or equivalent attained excluding General Studies</p> <p>30.9% A*/A</p> <p>56.7% A*/A or B</p> <p>98.3% A*-E</p>			1961/1823	96.22%
Richard Taylor	Good 2017	Foundation Stage GLD	71%		278/277	96.7%
		Yr1 Phonics	81%			
		KS1 RWM	67% (EXS)	15% (GDS)		
		KS2 RWM	76% (EXS)	10% (GDS)		
St Peter's Cof E Primary	Good 2016	Foundation Stage GLD	73%		274/283	97.02%
		Yr1 Phonics	76%			
		KS1 RWM	57% (EXS)	2% (GDS)		

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TRUSTEES' REPORT

		KS2 RWM	68% (EXS)	15% (GDS)		
Pannal Primary School	Good 2014	Foundation Stage GLD	70%		433/420	97.2%
		Yr1 Phonics	80%			
		KS1 RWM	81% (EXS)	19% (GDS)		
		KS2 RWM	85% (EXS)	15% (GDS)		
Oatlands Infant School	Outstanding 2013	Foundation Stage GLD	69.4%		238/255	96.98%
		Yr1 Phonics	88%			
		KS1 RWM	59% (EXS)	13% (GDS)		
Hampsthwaite C of E Primary School	Outstanding 2014	Foundation Stage GLD	86%		117/112 (October 2016)	96.9%
		Yr1 Phonics	85%			
		KS1 RWM	69% (EXS)	23% (GDS)		
		KS2 RWM	82% (EXS)	31% (GDS)	Plus 31 part-time nursery (15.5 FTE)	

Key Performance Indicators

Key Performance Indicators are informed by the Ofsted framework and all schools utilise the same indicators. School to school internal reviews have taken place as well as network groups for early years, SENCOs KS1, KS2, SBMs and teaching assistants.

GAG funding £12,652,335 (2016: £10,242,369)

SEN High Need/Low incidence £580,011 (2016: £406,296)

Staffing costs (excluding catering staff) represented as percentage of GAG funding were 93% (2016: 92%)

Going Concern

After making appropriate enquires, the Board of Trustees has a reasonable expectation that the 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 statement. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The Trust's income is derived in the main from the Department of Education (DfE) and the Local Authority (LA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the DfE and the LA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Net movement in funds were £2,961,201 (2016: £3,018,613), with net assets at 31 August 2017 of £23,703,274 (2016: £20,742,073).

Parents of new students at St. Aidan's and Richard Taylor were invited to join the academies' Gift Aid Schemes. The trustees continue to look to the scheme as an additional means of funding for improvement of the school's facilities and ask parents to donate a suggested minimum amount of £120, which can be gift aided where applicable. There is no obligation to join the scheme and all donations are entirely voluntary and confidential. The amount raised through the scheme, including the tax reclaimed on the gift aided donations was £47,776 (2016: £57,726).

Yorkshire Causeway Schools Trust

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Reserves Policy

The Trust's level of reserves can be expressed as a target figure or a target range or a percentage of total income and are informed by:

- its forecasts for levels of income for the current and future years, taking into account the reliability of each source of income;
- its forecasts for expenditure for the current and future years on the basis of planned activity;
- its analysis of any future needs, opportunities, commitments or risks, where future income alone is unlikely to be able to meet anticipated costs;
- its assessment, on the best evidence reasonably available, of the likelihood of each of those needs, that justify having reserves, arising and the potential consequences for the academy of not being able to meet them.

The Trust believes that the funding received in any one year should be used to support the children on roll at the time, unless there is a specific project which will require the accumulation of funding over more than one year, and/or where there is a need to gradually accumulate reserves as identified through the budget cycle and agreed by the Board of Trustees.

The Trust considers it prudent to accumulate a reserve equivalent to one month's salaries and wages plus an appropriate contingency for emergency premises work etc.

	Minimum balance required for reserves	Funds are:
St Aidan's	819,448	4,811,589
Richard Taylor	90,939	263,526
St Peter's	95,232	182,727
Pannal Primary School	112,564	138,772
Oatlands Infant School	76,832	128,947
Hampstwaite	31,947	47,220
	<hr/>	<hr/>
	1,226,962	5,572,781
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The unrestricted reserves of £5,596,306 (2016: £4,710,141) are freely available for general purposes. These will be allocated in line with the strategic objectives of the Trust.

The restricted funds of £18,106,968 (2016: £16,031,932) include the year end pension liability of £5,483,000 (2016: £7,667,000) and restricted fixed asset funds of £23,589,968 (2016: £23,064,685). It is the opinion of the trustees that the pension liability will not fall due for payment in the foreseeable future. Any cash flow impact would be increased contribution.

Whilst the Trust holds reserves of £23,703,274 (2016: £20,742,073) an income stream will continue to be required in order to enable the Trust to function.

Investment Policy

The Trust manages its cash by reviewing the short and medium term requirements for funds. Surplus funds are invested in very low risk short and long term deposit accounts with its main bankers (Lloyds Bank PLC), giving an acceptable rate of return, while exposing the Trust to minimal risk for the period of time the funds are to be invested.

The Trust does not have an Endowment Fund.

Yorkshire Causeway Schools Trust

TRUSTEES' REPORT

Principal risks and uncertainties

The main risks to the Trust can be summarised as follows:

Financial – The Trust has considerable reliance on continued Government Funding through the ESFA. Changes in Government legislation, particularly with regard to ESG and introduction of the national funding rates, means that there is no guarantee that public funding will continue at the same levels or terms.

Numbers on Roll - Potential falling pupil roll, particularly in the Sixth Form at St. Aidan's. The school is constantly monitoring the decisions from the DfE with regard to the future of Sixth Form funding, which now decreases per student head, year on year. The fall in funding could impact on the future level of reserves being carried forward.

The opinion of the Trust is that the above constitutes medium risk and a level of reserves is maintained given the uncertain level of future Government funding.

Other risks are:

Safeguarding and child protection – the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, and discipline.

Reputational – the continuing success of the Trust is dependent on maintaining not only excellent pastoral support, but also highly regarded educational standards. To mitigate this risk, trustees ensure that assessment data is closely monitored and reviewed.

Staffing – the success of the Trust is reliant upon the quality of its staff. The trustees ensure staff have access to continued professional development through the Teaching School, network groups and other training opportunities.

The trustees examine the financial health of the Trust formally throughout the year. They review performance against budgets and overall expenditure through the management accounts and reports from the Audit Committee. Cash flow forecasts are regularly reviewed to ensure sufficient funds are held to cover a contingency and all known and anticipated commitments.

The trustees have assessed the major risks to which the Trust is exposed, in particular relating to its finances, teaching, facilities and other operational areas. Internal controls are in place to minimise these risks and where significant financial risk still remains, the trustees have purchased adequate insurance cover from Zurich Municipal.

The Board recognises that the defined benefit pension scheme (Local Government Pension Scheme), which is set out in note 22 to the financial statements, represents a significant potential liability. However, as the trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Plans for future periods

The educational progress and wellbeing of all pupils in the Trust remains a key priority. The Trust aims to raise attainment across all key stages through the provision of high quality teaching and strong leadership

The Trust plans to expand in the forthcoming year to include the two primary schools who have received academy orders.

The trustees have agreed that any schools joining the Trust should be in the same geographical area and the number limited in order to contain the work of the Trust. This aims to give time to embed the processes and ways of working, as well as looking for continuous improvement for all schools in the Trust.

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TRUSTEES' REPORT

Plans for future periods (continued)

The Trust is in the process of applying for Academy Sponsor Status.

The Trust continues to be particularly sensitive to meeting the needs of sub-groups of students in need of additional learning support, including; children with Education and Health Care Plans, looked after children, children being supported by social services, children from low income families and the most able pupils.

The Trust continues to provide bursaries from the pupil support fund, Richard Taylor Educational Trust and other sources to ensure that no student is disadvantaged by family circumstances from participation in school trips.

Funds held as Custodian Trustee on behalf of others

No funds are being held as Custodian Trustee on behalf of others.

Disabled persons

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust. During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 5 December 2017 and signed on its behalf by:



Ms Claire Kelley
Chair of trustees

Yorkshire Causeway Schools Trust

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the 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 Executive Principal, 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 the Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The Board of Trustees has formally met six times in the period. Attendance during the period at meetings is as follows:

Trustee	Meetings attended	Out of a possible
Ms Claire Kelley (Chair)	6	6
Mr John Bushell *	6	6
Mr David Fisher *+	1	6
Mr John Wood *	6	6
Mr Terence Harrison	3	6
Mr Philip Titchmarsh	6	6
Mr Martin Wicks	5	6
Mr Steven Scarisbrick	5	6
Mr Seth King	6	6
Mr Andrew Symonds	6	6
Dr Jill Adam	5	6
Mrs Alison Glover	6	6

Also attended:

Mr Christopher Burt	6	6
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* Denotes member of the audit committee

+ David Fisher temporarily stepped down from the board due to a family bereavement. He maintained contact with the chair of the board during this period.

Governance reviews

The Audit, Finance and Risk Management committee is a sub-committee of the Board of Trustees and consists of trustees and governors from the LGBs. The Chief Financial Officer and Finance Manager also attend the meetings. Its main purpose is to help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds. Its purpose is also to review the effectiveness of the Trust's internal control system to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally sensitive manner.

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GOVERNANCE STATEMENT

Audit, Finance and Risk Management committee meetings	Meetings attended	Out of a possible
Mr John Bushell (Chair)	2	4
Mr David Fisher +	2	4
Mr Jonathan Birch ++	2	4
Mr John Wood	3	4
Mr John Garnett	2	4
Mrs Sarah Bonson +++	3	4
Mr Peter Marston	2	4
Mr Graham Wild	3	4
Also attended:		
Mr Christopher Burt	4	4
Mrs Clare Dowson	4	4
Ms Claire Kelley	1	1

- + David Fisher temporarily stepped down from the audit committee due to a family bereavement. He maintained contact with the chair of the committee during this period.
- ++ Jonathan Birch stepped down with effect from 15.01.2017.
- +++ Sarah Bonson stepped down with effect from 20.03.2017 and immediately assumed role of clerk to Audit Committee.

Review of Value for Money

As Accounting Officer the Executive Principal has responsibility for ensuring that the 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 Trust has delivered improved value for money during the year in the following areas:

Procurement

- Bulk procurement of IT equipment, including servers, computers and Interactive whiteboards for schools within the Trust and schools using the St. Aidan's IT services.
- A review of cleaning services to move them in-house and extend the St. Aidan's cleaning to the primary schools.

Staffing and training costs

- Review of staffing costs, including benchmarking of senior staff, teaching and support staff for the primary schools in the Trust.
- Utilising opportunity where natural attrition has arisen in both teaching and support staff. This has involved increased responsibility for existing members of staff and ensuring that teaching and learning is not compromised and that students received adequate support.
- Ensuring that supply cover where there is no specific teaching required, is provided at a reasonable cost through HLTAs and support staff.
- As the Trust grows training has been provided through peer to peer mentoring, annual and regular training events held on schools sites and access to CPD through the Teaching School.

Yorkshire Causeway Schools Trust

GOVERNANCE STATEMENT

Centralised functions and reviewing operations

- The Trust continues to strive to reduce the administrative burden on its finance by automating processes where practical and ensuring that minimum input is required to produce its standard management reports.
- Access to information: The introduction of SharePoint, combined with the existing transparency and ready access to information has further enhanced the effectiveness of Governance, finance teams and the Headteachers group at minimum cost to the Trust.

Benchmarking

- The Trust utilised the benchmarking by Kreston Reeves to August 2016 to review and report on levels of income and expenditure per student per school compared to similar Trusts. There were no concerns raised by the Board, and the indication was that expenditure was in line with national levels, despite receiving lower than average funding per pupil.

The Trust regularly benchmarks the primary schools within the Trusts, on all income and expenditure headings.

Maximising Income generations

- The Trust explores opportunities to generate through hire of school facilities, Schools Sports Partnership outreach, IT services, the Teaching School and a cleaning service. All Opportunities are reviewed to ensure that the benefit does not in any way disadvantage the Trust's primary educational aim.
- The Trust ensures that the cash surpluses are invested in term deposits which are operated on a rolling basis to ensure the highest available interest rate with accessible cash reserves.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 the Trust for the year ended 31 August 2017 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the Audit Committee.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the LBG Finance and Audit-committees 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 guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

Yorkshire Causeway Schools Trust

GOVERNANCE STATEMENT

The Board of Trustees has considered the need for a specific internal review function and RSM Risk Assurance Services LLP provides an internal review service managed by Robert Barnett. The role of internal reviewer includes giving advice on financial matters and performing a range of checks on the Trust's financial systems on a regular basis. The internal review report informs the trustees on the operation and effectiveness of the systems of internal control.

On a regular basis, the internal reviewer reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

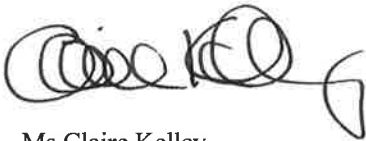
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the systems of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the senior leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

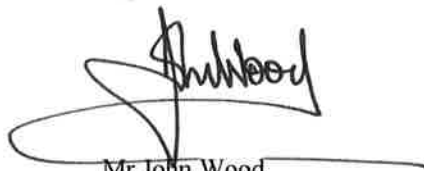
Approved by order of the Board of Trustees on 5 December 2017 and signed on its behalf by:

Signed



Ms Claire Kelley
Chair of Trustees

Signed



Mr John Wood
Accounting Officer

Yorkshire Causeway Schools Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Yorkshire Causeway Schools Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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

Signed



Mr John Wood
Accounting Officer

Date: 5th December 2017

Yorkshire Causeway Schools Trust

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees (who act as governors of Yorkshire Causeway Schools Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and 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.

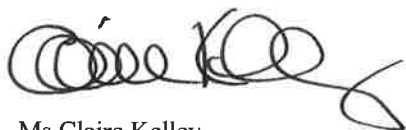
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements 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 purpose intended.

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

Approved by order of the Board of Trustees on 5 December 2017 and signed on its behalf by:

Signed



Ms Claire Kelley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE CAUSEWAY SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2017

Opinion on financial statements

We have audited the financial statements of Yorkshire Causeway Schools Trust for the year ended 31 August 2017 on pages 19 to 43 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, 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", and the Academies: Accounts Direction 2016 to 2017 issued by the Education Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE CAUSEWAY SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2017

Opinion on other matter 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charity, 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 16 the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Victoria Craven (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square, 5th Floor
29 Wellington Street
Leeds
LS1 4DL

Date: 7 | 12 | 17

Yorkshire Causeway Schools Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 August 2017

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
INCOME FROM:						
Donations and capital grants	2	75,452	146,142	513,437	735,031	197,666
Transfer from local authority on conversion	25	62,395	-	1,100,000	1,162,395	8,133,536
Charitable activities:						
Funding for the academy trusts's educational operations	3	1,794,872	14,298,161	-	16,093,033	12,738,907
Other trading activities	4	493,983	-	-	493,983	320,245
Investments	5	23,607	-	-	23,607	12,476
Total		2,450,309	14,444,303	1,613,437	18,508,049	21,402,830
EXPENDITURE ON:						
Charitable activities:						
Academy trust educational operations	7	(1,581,698)	(15,582,550)	(1,088,154)	(18,252,402)	(13,701,734)
Other – transfer from local authority on conversion	25	-	(173,000)	-	(173,000)	(1,223,000)
Total		(1,581,698)	(15,755,550)	(1,088,154)	(18,425,402)	(14,924,734)
NET INCOME/(EXPENDITURE)		868,611	(1,311,247)	525,283	82,647	6,478,096
Gross transfers between funds		-	-	-	-	-
NET INCOME/(EXPENDITURE)		868,611	(1,311,247)	525,283	82,647	6,478,096
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligations	22	-	2,861,000	-	2,861,000	(3,495,000)
Gains on investments	13	17,554	-	-	17,554	35,517
NET MOVEMENT IN FUNDS		886,165	1,549,753	525,283	2,961,201	3,018,613
TOTAL FUNDS BROUGHT FORWARD		4,710,141	(7,032,753)	23,064,685	20,742,073	17,723,460
TOTAL FUNDS CARRIED FORWARD	17	5,596,306	(5,483,000)	23,589,968	23,703,274	20,742,073

All of the Trust's activities derive from continuing operations and the acquisition of Hampsthwaite Church of England Primary School during the current period.

Yorkshire Causeway Schools Trust

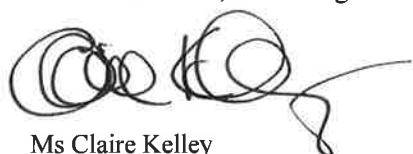
BALANCE SHEET

31 August 2017

Company Registration No: 07663935

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	23,252,529	23,064,685
Investments	13	1	1
		<u>23,252,530</u>	<u>23,064,686</u>
CURRENT ASSETS			
Debtors	14	536,070	665,393
Investments	13	5,020,000	4,880,000
Cash at bank and in hand		2,239,060	1,106,890
		<u>7,795,130</u>	<u>6,652,283</u>
CREDITORS: Amounts falling due within one year	15	<u>(1,861,386)</u>	<u>(1,307,896)</u>
NET CURRENT ASSETS		<u>5,933,744</u>	<u>5,344,387</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>29,186,274</u>	<u>28,409,073</u>
Defined benefit pension scheme liability	22	<u>(5,483,000)</u>	<u>(7,667,000)</u>
NET ASSETS		<u>23,703,274</u>	<u>20,742,073</u>
FUNDS OF THE TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	17	23,589,968	23,064,685
General fund	17	-	634,247
RESTRICTED FUNDS EXCLUDING PENSION RESERVE		<u>23,589,968</u>	<u>23,698,932</u>
Pension reserve	17	<u>(5,483,000)</u>	<u>(7,667,000)</u>
TOTAL RESTRICTED FUNDS		<u>18,106,968</u>	<u>16,031,932</u>
UNRESTRICTED INCOME FUNDS			
General fund	17	5,596,306	4,710,141
TOTAL UNRESTRICTED FUNDS		<u>5,596,306</u>	<u>4,710,141</u>
TOTAL FUNDS		<u>23,703,274</u>	<u>20,742,073</u>

The financial statements on pages 19 to 43 were approved by the Board of Trustees and authorised for issue on 5 December 2017, and are signed on their behalf by:



Ms Claire Kelley
Chair of Trustees

Yorkshire Causeway Schools Trust

STATEMENT OF CASH FLOWS

For the year ended 31 August 2017

	<i>Notes</i>	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	831,175	463,344
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		23,607	12,476
Capital grants from DfE/ESFA		513,437	106,264
Increase of current asset investments		(122,446)	(324,840)
Purchase of tangible fixed assets		(175,998)	(211,728)
Transfer of cash on conversion		62,395	413,294
		<hr/>	<hr/>
Net cash provided by / (used in) investing activities		300,995	(4,534)
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,132,170	458,810
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the year		1,106,890	648,080
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	20	2,239,060	1,106,890
		<hr/>	<hr/>

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2017

General information

Yorkshire Causeway Schools Trust is a Charitable Company (the 'Trust'), incorporated in England and Wales. The address of the Trust's principal place of business is given on page 1. The nature of the Trust's operations is set out in the Trustees' Report.

Basis of Accounting

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, in dealing with items which are considered material in relation to these financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

Consolidation

The Trustees consider that the results of its subsidiary undertaking St. Aidan's Education Services Limited are not material to the group. As a consequence, they have considered paragraph 24.12 of the SORP and taken advantage of the exemption provided by Section 405 of the Companies Act 2006 and have not prepared consolidated financial statements. The financial statements present the results of the parent charitable company only and do not show the results of the group. Details of the subsidiary are shown in note 13 to the financial statements.

Going Concern

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Trust's resources and the challenges presented by the current economic climate, the Trustees are confident that the Trust has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Income

All incoming resources are recognised when the Trust has entitlement to the funds, probable of receipt and the amount can be measured with sufficient reliability.

Grants

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

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2017

Grants

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

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other Income

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

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Donated Services and Gifts in Kind

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impracticable 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 Trust's accounting policies.

Resources Expended

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the 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 Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2017

Fund Accounting

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

Restricted Fixed Asset funds are resources which are to be applied to specific capital purposes imposed by the DfE and other funders, where the asset acquired or created is held for a specific purpose.

Restricted General funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA/DfE.

Tangible Fixed Assets

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the statement of financial activities as incurred.

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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold land	Over 125 year lease
Leasehold and other buildings	Over 25 years expected useful life
Leasehold improvements	Over 25 years expected useful life
Fixtures, fittings and equipment	25% straight line basis
ICT equipment	25% straight line basis
Motor vehicles	25% straight line basis

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.

Liabilities

Liabilities are recognised when there is an obligation at the reporting 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 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 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.

Unrealised gains

Unrealised gains are calculated by determining the accrued interest receivable at the balance sheet date.

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2017

Provisions (continued)

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 risk specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the Statement of Financial Activities and is allocated to the appropriate expenditure heading.

Agency Arrangements

The Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Trust does not have a beneficial interest in the individual transactions. An allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 24.

Leased Assets

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

Investments

The Trust's shareholding in the wholly owned subsidiary, St Aidan's Education Services Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Current Asset Investments

The Trust places cash in short-term low risk deposit accounts in order to generate a return on assets held, they are included in the balance sheet at the valuation at the year end date.

Financial Instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2017

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). Which are multi-employer 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 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 projected unit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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.

Conversion to Trust

The transfer of one school into the Trust, involved the transfer of identifiable assets and liabilities and the operations of the schools for £nil consideration. This has been accounted for under the acquisition accounting method. The substance of the transfer is that of a gift and it has been accounted for on the basis as set out below.

The assets and liabilities transferred on conversion from the maintained schools, Hampsthwaite Church of England Primary School to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent terms. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion and Charitable activities - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 25.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENTS

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgements

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend of a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate of corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 22 or the disclosures relating to the defined benefit pension scheme.

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
DfE/ESFA capital grant for building	-	84,532	507,650	592,182	65,037
Other donations	75,452	61,610	5,787	142,849	132,629
	<u>75,452</u>	<u>146,142</u>	<u>513,437</u>	<u>735,031</u>	<u>197,666</u>

The income from donations and capital grants in 2016 was £197,666 of which £25,286 was unrestricted, £66,116 was restricted and £106,264 was restricted fixed asset funds.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

3 FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	12,652,335	12,652,335	10,242,369
Other DfE/ESFA grants	-	1,000,609	1,000,609	445,397
	-	13,652,944	13,652,944	10,687,766
OTHER GOVERNMENT GRANTS				
Local authority grants	-	65,006	65,006	8,081
Special educational projects	-	580,011	580,011	406,296
Other government grants	-	200	200	4,858
	-	645,217	645,217	419,235
OTHER OPERATIONAL INCOME				
Trip income	780,758	-	780,758	711,201
Catering income	1,014,114	-	1,014,114	920,705
TOTAL	1,794,872	14,298,161	16,093,033	12,738,907

The income from educational operations in 2016 was £12,738,907 of which £1,631,906 was unrestricted and £11,107,001 was restricted general funds.

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Department income	59,384	-	59,384	47,504
Income from lettings	148,499	-	148,499	45,505
ITT income	26,343	-	26,343	40,034
School fund income	108,938	-	108,938	68,637
Ticket sales re productions	20,211	-	20,211	26,212
Other income	73,191	-	73,191	49,176
Exam income	9,892	-	9,892	3,410
Security cards	4,596	-	4,596	3,263
Recharges to St. John Fisher re sixth form	13,440	-	13,440	13,440
Other finance income	29,489	-	29,489	23,064
	493,983	-	493,983	320,245

Other trading activities income in 2016 was £320,245 of which all of the income was unrestricted funds.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Bank interest received	23,607	-	23,607	12,476
	<u>23,607</u>	<u>-</u>	<u>23,607</u>	<u>12,476</u>

Investment income in 2016 was £12,476 all of which was unrestricted.

6 EXPENDITURE

	Staff Costs £	Non pay expenditure Premises £	Other Costs £	Total 2017 £	Total 2016 £
Trust's educational operations:					
Direct costs	10,893,930	-	1,697,758	12,591,688	9,629,727
Allocated support costs	1,363,977	1,899,316	2,397,421	5,660,714	4,072,007
	<u>12,257,907</u>	<u>1,899,316</u>	<u>4,095,179</u>	<u>18,252,402</u>	<u>13,701,734</u>
Expenditure transfer from local authority on conversion	-	-	-	173,000	1,223,000
	<u>12,257,907</u>	<u>1,899,316</u>	<u>4,095,179</u>	<u>18,425,402</u>	<u>14,924,734</u>

	Total 2017 £	Total 2016 £
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Net income / (expenditure) for the year includes:

Operating lease rentals	28,461	25,431
Depreciation	1,088,154	828,828
Net interest on defined benefit pension scheme	141,000	110,000
Fees payable to RSM UK Audit LLP and its associates for:		
Audit	21,700	15,250
Other services	10,400	8,750

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

7 CHARITABLE ACTIVITIES

	Total 2017 £	Total 2016 £
Direct costs – educational operations	12,591,688	9,629,727
Support costs – educational operations	5,660,714	4,072,007
	<u>18,252,402</u>	<u>13,701,734</u>

Analysis of support costs

	Total 2017 £	Total 2016 £
Support staff costs	1,726,977	1,133,845
Depreciation	1,088,154	828,828
Recruitment and support	12,352	13,785
Technology costs	138,638	99,233
Maintenance of premises and equipment	377,404	213,241
Cleaning	137,699	46,402
Rent and rates	100,470	78,384
Energy costs	200,467	150,317
Insurance	132,820	105,185
Security and transport	68,210	33,349
Bank charges	195	153
Catering supplies	1,157,767	988,223
Other support costs	257,082	198,382
Pension finance cost	141,000	110,000
Governance costs	121,479	72,680
	<u>5,660,714</u>	<u>4,072,007</u>

Expenditure on charitable activities during the year was £18,252,402 (2016: £13,701,734) of which £1,581,698 (2016: £Nil) was unrestricted, £1,088,154 (2016: £828,828) was restricted fixed asset funds and £15,582,550 (2016: £12,872,906) was restricted general funds.

8 STAFF NUMBERS AND COSTS

Staff costs

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	9,535,037	7,437,398
Social security costs	833,055	570,054
Pension costs	1,753,472	1,308,860
	<u>12,121,564</u>	<u>9,316,312</u>
Supply staff costs	136,343	149,460
	<u>12,257,907</u>	<u>9,465,772</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

8 STAFF NUMBERS AND COSTS (*continued*)

Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
Teachers	148	149
Administration and support	149	143
Management	20	18
	<u>317</u>	<u>310</u>

Higher paid staff

The number of employees whose annual emoluments fell within the following bands was:

	2017 No	2016 No
£60,001 - £70,000	5	6
£70,001 - £80,000	2	1
£100,001 - £110,000	1	1
	<u>8</u>	<u>8</u>

All eight of the above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £95,537 (2016: £69,951).

Key Management Personnel Compensation

The key management personnel of the 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's national insurance) received by key management personnel for their services to the Trust was £539,667 (2016: £364,260).

9 CENTRAL SERVICES

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

- HR Services (North Yorkshire HR) and PAFA charges
- All audit and accountancy fees, including TPA, AAR, internal and regulatory audits
- All IT support
- Training
- Venue for appeals, Board and training events
- Finance Manager
- Trust Administrator
- Compliance and Resources officer
- CEO
- Software Licences

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

9 CENTRAL SERVICES *(continued)*

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

- £3,000 lump sum plus 2.25% of GAG income

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
St Aidan's C of E High School	192	-
Richard Taylor C of E Primary School	24	-
St Peter's C of E Primary School	26	-
Pannal Primary School	30	-
Oatlands Infant School	21	-
Hampsthwaite C of E Primary School	8	-
	<hr/>	<hr/>
	301	-
	<hr/>	<hr/>

10 GOVERNORS' REMUNERATION AND EXPENSES

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff and not in respect of their services as governors. Other trustees did not receive any payments, other than expenses, from the Trust in respect of their role as trustees. The value of trustees' remuneration during the year ended 31 August 2017 was as follows:

Mr J Wood, a Headteacher, received remuneration of £101,554 (2016: £100,548), and pension contributions paid by the Trust in the year of £16,736 (2016: £16,570).

Mr A Symonds, a Headteacher, received remuneration of £68,464 (2016: £66,784), and pension contributions paid by the Trust in the year of £11,283 (2016: £11,006).

Related party transactions involving the trustees are set out in note 23.

During the year ended 31 August 2017, expenses totalling £511 (2016: £nil) were reimbursed to governors and trustees.

11 TRUSTEES' AND OFFICERS' INDEMNITY INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligence acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 was £823 (2016: £2,203). The cost of this insurance is included in the total insurance cost.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

12 TANGIBLE FIXED ASSETS

	Leasehold and other land and buildings £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	ICT equipment £	Total £
Cost						
1 September 2016	23,364,096	2,095,179	393,528	36,230	549,990	26,439,023
Additions	-	-	97,697	-	78,301	175,998
Transfer on conversion	1,100,000	-	-	-	-	1,100,000
31 August 2017	24,464,096	2,095,179	491,225	36,230	628,291	27,715,021
Depreciation						
1 September 2016	2,565,036	213,063	160,091	36,230	399,918	3,374,338
Charged in the year	802,098	83,807	103,389	-	98,860	1,088,154
31 August 2017	3,367,134	296,870	263,480	36,230	498,778	4,462,492
Net book value						
31 August 2017	21,096,962	1,798,309	227,745	-	129,513	23,252,529
Net book value						
31 August 2016	20,799,060	1,882,116	233,437	-	150,072	23,064,685

Where the land and buildings at St. Aidan's Church of England High School, St. Peter's Church of England Primary School and Hampsthwaite Church of England Primary School are operated from is owned by the Diocesan Board of Finance, Diocese of Leeds, the occupancy is made available to use under the terms of supplemental agreements. This makes the land available under a perpetual licence of £nil cost, which can be terminated upon the provision of two years notice. Where the land and buildings at Richard Taylor School are owned by the Richard Taylor Educational Foundation, the occupancy is made available to use under the terms of a supplemental agreement. This makes the land available under a perpetual licence of £nil cost, which can be terminated upon the provision of two years notice. The substance of these arrangements is such that Yorkshire Causeway Schools Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion and depreciated over their useful lives.

In addition the Trust's transactions relating to land and buildings include the taking up of a leasehold on the land and buildings at Pannal Primary School and Oatlands Infant School over a term of 125 years at a peppercorn rent.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

13 INVESTMENTS

	2017 £	2016 £
Investment in subsidiary undertaking	1	1
	<u>1</u>	<u>1</u>

The investment represents a 100% holding in the issued share capital of St. Aidan's Education Services Limited, a company registered in England and Wales. The principal activity is the provision of educational support services. The capital and reserves of St. Aidan's Education Services Limited at 31 August 2017 amounted to £458 (2016: £458). St. Aidan's Education Services Limited gift aids all profits to the Trust. For the year ended 31 August 2017 the entity made a profit amounting to £nil (2016: £nil). During the year the company has become dormant and will not be trading for the foreseeable future.

Current Assets Investments

Included in current asset investments is £5,020,000 (2016: £4,880,000) relating to short term deposits. During the year there were unrealised gains of £17,554 (2016: £35,517).

14 DEBTORS

	2017 £	2016 £
Trade debtors	107,796	39,794
VAT recoverable	37,852	45,159
Prepayments and accrued income	386,206	576,572
Other debtors	4,216	3,868
	<u>536,070</u>	<u>665,393</u>

15 CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	742,728	571,565
Other taxation and social security costs	218,673	203,534
Other creditors	330,111	311,633
Accruals and deferred income	569,874	221,164
	<u>1,861,386</u>	<u>1,307,896</u>
Deferred income at brought forward	113,651	59,055
Resources deferred in the year	332,126	113,651
Released in the year	(113,651)	(59,055)
Deferred income at carried forward	<u>332,126</u>	<u>113,651</u>

Deferred income is in respect of rates relief of £36,543 (2016: £28,999), universal free school meals funding of £172,198 (2016: £27,786), GAG remit of £nil (2016: £1,638), amounts relating to academy trips of £83,385 (2016: £55,228) and £40,000 (2016: £Nil) in respect of a teaching grant.

Yorkshire Causeway Schools Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

16 FINANCIAL INSTRUMENTS

The Trust has the following financial instruments:

	2017 £	2016 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost	187,820	361,212
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	1,253,546	990,713

17 FUNDS

	At 1 September 2016	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31 August 2017
	£	£	£	£	£
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	634,247	12,652,335	(13,286,582)	-	-
Pension reserve	(7,667,000)	-	(677,000)	2,861,000	(5,483,000)
Start-up grant	-	-	-	-	-
Other DfE/ESFA grants	-	1,085,141	(1,085,141)	-	-
Local Authority grants	-	645,017	(645,017)	-	-
Other income	-	61,810	(61,810)	-	-
	<u>(7,032,753)</u>	<u>14,444,303</u>	<u>(15,755,550)</u>	<u>2,861,000</u>	<u>(5,483,000)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	541,575	507,650	(104,104)	-	945,121
Other capital grants	116,947	5,787	(11,429)	-	111,305
Capital expenditure from GAG	1,831,192	-	(170,523)	-	1,660,669
Transfer of assets on conversion	20,574,971	1,100,000	(802,098)	-	20,872,873
	<u>23,064,685</u>	<u>1,613,437</u>	<u>(1,088,154)</u>	<u>-</u>	<u>23,589,968</u>
TOTAL RESTRICTED FUNDS	<u>16,031,932</u>	<u>16,057,740</u>	<u>(16,843,704)</u>	<u>2,861,000</u>	<u>18,106,968</u>
UNRESTRICTED FUNDS					
Unrestricted funds	4,710,141	2,450,309	(1,581,698)	17,554	5,596,306
TOTAL UNRESTRICTED FUNDS	<u>4,710,141</u>	<u>2,450,309</u>	<u>(1,581,698)</u>	<u>17,554</u>	<u>5,596,306</u>
TOTAL FUNDS	<u>20,742,073</u>	<u>18,508,049</u>	<u>(18,425,402)</u>	<u>2,878,554</u>	<u>23,703,274</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

17 FUNDS (continued)

FUNDS – PRIOR YEAR	At 1 September 2015	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31 August 2016
	£	£	£	£	£
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	2,144,500	10,242,369	(11,647,159)	(105,464)	634,247
Pension reserve	(2,764,000)	-	(1,408,000)	(3,495,000)	(7,667,000)
Start-up grant	110,000	-	(110,000)	-	-
Other DfE/ESFA grants	-	445,397	(445,397)	-	-
Local Authority grants	-	419,235	(419,235)	-	-
Other income	-	66,116	(66,116)	-	-
	<u>(509,500)</u>	<u>11,173,117</u>	<u>(14,095,907)</u>	<u>(3,600,464)</u>	<u>(7,032,753)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	482,425	65,037	(5,887)	-	541,575
Other capital grants	87,740	41,227	(12,020)	-	116,947
Capital expenditure from GAG	1,937,723	-	(211,995)	105,464	1,831,192
Transfer of assets on conversion	13,453,655	7,720,242	(598,926)	-	20,574,971
	<u>15,961,543</u>	<u>7,826,506</u>	<u>(828,828)</u>	<u>105,464</u>	<u>23,064,685</u>
TOTAL RESTRICTED FUNDS	<u>15,452,043</u>	<u>18,999,623</u>	<u>(14,924,734)</u>	<u>(3,495,000)</u>	<u>16,031,932</u>
UNRESTRICTED FUNDS					
Unrestricted funds	2,271,417	2,403,207	-	35,517	4,710,141
TOTAL UNRESTRICTED FUNDS	<u>2,271,417</u>	<u>2,403,207</u>	<u>-</u>	<u>35,517</u>	<u>4,710,141</u>
TOTAL FUNDS	<u>17,723,460</u>	<u>21,402,830</u>	<u>(14,924,734)</u>	<u>(3,459,483)</u>	<u>20,742,073</u>

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

Restricted General funds have been spent in line with the terms of the Master Funding Agreement.

Restricted Fixed Asset funds are used solely for capital purchases in line with the strategic objectives of Yorkshire Causeway Schools Trust.

A total of £Nil (2016: £105,464) has been transferred from restricted funds to restricted fixed asset funds for the purchase of fixed asset additions.

The restricted pension fund is in deficit to the value of £5,483,000 as at 31 August 2017 (2016: £7,667,000), which is in excess of the unrestricted funds. The trustees will continue to monitor this situation closely.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2017.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

17 FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE	2017 £	2016 £
Fund balances at 31 August 2017 were allocated as follows:		
St. Aidan's Church of England High School	4,811,589	4,661,327
Richard Taylor Church of England Primary School	263,526	239,323
St. Peter's Church of England Primary School	182,727	155,959
Pannal Primary School	138,772	155,936
Oatlands Infant School	128,947	131,843
Hampsthwaite Church of England Primary School	47,220	-
Centralised services	23,525	-
	<u>5,596,306</u>	<u>5,344,388</u>
Restricted Fixed Asset Fund	23,589,968	23,064,685
Pension Reserve	(5,483,000)	(7,667,000)
	<u>23,703,274</u>	<u>20,742,073</u>

TOTAL COST ANALYSIS BY ACADEMY

	Teaching and Education Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £	Total 2016 £
St. Aidan's Church of England High School	7,115,988	870,813	162,535	3,056,112	11,205,448	10,751,148
Richard Taylor Church of England Primary School	841,150	113,219	16,753	263,855	1,234,977	1,203,334
St. Peter's Church of England Primary School	798,055	83,406	20,478	306,718	1,208,657	583,108
Pannal Primary School	1,104,635	100,896	28,110	377,407	1,611,048	247,289
Oatlands Infant School	697,113	85,738	26,487	258,768	1,068,106	88,027
Hampsthwaite Church of England Primary School	228,443	30,946	5,802	90,312	355,503	-
Centralised services	108,549	78,956	-	(210,997)	(23,492)	-
	<u>10,893,933</u>	<u>1,363,974</u>	<u>260,165</u>	<u>4,142,175</u>	<u>17,164,248</u>	<u>12,872,906</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2017
	£	£	£	£
Tangible fixed assets	-	-	23,252,529	23,252,529
Investments	-	-	1	1
Current assets	7,457,691	-	337,438	7,795,129
Current liabilities	(1,861,385)	-	-	(1,861,385)
Pension scheme liability	-	(5,483,000)	-	(5,483,000)
	<u>5,596,306</u>	<u>(5,483,000)</u>	<u>23,589,968</u>	<u>23,703,274</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Tangible fixed assets	-	-	23,064,685	23,064,685
Investments	-	1	-	1
Current assets	4,710,141	1,942,142	-	6,652,283
Current liabilities	-	(1,307,896)	-	(1,307,896)
Pension scheme liability	-	(7,667,000)	-	(7,667,000)
	<u>4,710,141</u>	<u>(7,032,753)</u>	<u>23,064,685</u>	<u>20,742,073</u>

19 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Other:		
Expiring within one year	32,450	32,700
Expiring within two and five years inclusive	59,114	92,050
	<u>91,564</u>	<u>124,750</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

20 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the reporting period	82,647	6,478,096
Net gain on transfer on conversion of schools joining (Note 25)	(1,162,395)	(8,133,536)
Depreciation (Note 12)	1,088,154	828,828
Investment income	(23,607)	(12,476)
Capital grants from DfE and other capital income	(513,437)	(106,264)
Defined benefit pension scheme obligation inherited (Note 22)	173,000	1,223,000
Defined benefit pension scheme cost less contributions payable (Note 22)	363,000	75,000
Defined benefit pension scheme finance cost (Note 22)	141,000	110,000
	<u>148,362</u>	<u>462,648</u>
Decrease/ (increase) in debtors	129,323	(406,961)
Increase in creditors	553,490	407,657
	<u>831,175</u>	<u>463,344</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Cash and cash equivalents represent:		
Cash in hand and at bank	<u>2,239,060</u>	<u>1,106,890</u>

21 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

22 PENSION AND SIMILAR OBLIGATIONS

The 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 North Yorkshire County Council. Both are multi-employer defined benefit schemes.

During the year, Hampsthwaite C of E Primary School transferred into the Trust. The obligation in respect of employees who transferred with Hampsthwaite C of E Primary School to the Trust representing their cumulative services to the predecessor employer was recognised in the Statement of Financial Activities as part of the gain/(loss) set out in note 25.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £150,910 (2016: £142,562) were payable to the Teachers' Pension Scheme at 31 August 2017 and are included within creditors.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

22 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. 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.

Valuation of the Teachers' Pensions 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 in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for 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 2.0% 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 TPA valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £1,120,472 (2016: £897,860).

The TPS is a multi-employer pension scheme and there is sufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £798,000 (2016: £536,000) of which employer's contributions totalled £633,000 (2016: £411,000) and employees' contribution totalled £165,000 (2016: £125,000). The agreed rates for future years are 17.3% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

22 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017	2016
Rate of increase in salaries	3.25%	3.50%
Rate of increase for pensions in payment	2.00%	2.00%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	2.00%

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
<i>Retiring today</i>		
Males	22.8	23.3
Females	26.3	25.8
<i>Retiring in 20 years</i>		
Males	25.0	25.6
Females	28.6	28.1

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

	Fair value of assets	
	2017 £	2016 £
Equity instruments	2,968,000	1,627,000
Government bonds	573,000	383,000
Corporate bonds	134,000	130,000
Property	363,000	223,000
Cash	22,000	(18,000)
Other	416,000	246,000
TOTAL FAIR VALUE OF ASSETS	4,476,000	2,591,000

The actual return on scheme assets was £953,000 (2016: £330,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	996,000	486,000
Net interest cost	141,000	110,000
Total	1,137,000	586,000

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

22 PENSION AND SIMILAR OBLIGATIONS (*continued*)

<u>Changes in the present value of defined benefit obligations:</u>	2017	2016
	£	£
At 1 September	(10,258,000)	(4,444,000)
Employee contributions	(165,000)	(125,000)
Current service cost	(996,000)	(486,000)
Interest cost	(211,000)	(184,000)
Benefits paid	105,000	39,000
Actuarial gain/ (loss)	1,978,000	(3,751,000)
Upon conversion	(412,000)	(1,307,000)
	<u>(9,959,000)</u>	<u>(10,258,000)</u>
At 31 August	<u>(9,959,000)</u>	<u>(10,258,000)</u>

<u>Changes in the fair value of academy's share of scheme assets:</u>	2017	2016
	£	£
At 1 September	2,591,000	1,680,000
Employer contributions	633,000	411,000
Employee contributions	165,000	125,000
Expected return	70,000	74,000
Benefits paid	(105,000)	(39,000)
Return on plan assets	883,000	256,000
Upon conversion	239,000	84,000
	<u>4,476,000</u>	<u>2,591,000</u>
At 31 August	<u>4,476,000</u>	<u>2,591,000</u>

23 RELATED PARTIES

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

St. Aidan's Education Services Limited – a wholly owned subsidiary of the Trust. There were no transactions during the year, however, the following balance was included in creditors at 31 August 2017 £458 (2016: £Nil).

24 AGENCY ARRANGEMENTS

The Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £30,873, disbursed £30,281 and had a 15/16 brought forward unspent balance of £55,991. Therefore, an amount of £56,583 repayable by the Trust at the 31 August 2017 is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £1,544 has been recognised in income and expenditure in the statement of financial activities.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

25 CONVERSION TO TRUST

The following schools converted to Trust status under the Academies Act 2010 on the date set out below:

<i>Predecessor School</i>	<i>Academy</i>	<i>Conversion date</i>	<i>Local authority</i>
Hampsthwaite C of E Primary School	Hampsthwaite C of E Primary School	1 February 2017	North Yorkshire County Council

All the operations and assets and liabilities were transferred to Yorkshire Causeway Schools Trust from the local authority listed above for £nil consideration.

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

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

Included within the school budget surplus from North Yorkshire County Council Local Authority is an amount of £2,242 which was received in the year in relation to Pannal Primary School.

	<i>Unrestricted funds</i> £	<i>Restricted General Fund</i> £	<i>Restricted Fixed Asset Fund</i> £	<i>Total</i> £
Tangible fixed assets	-	-	1,100,000	1,100,000
School budget surplus/(deficit) from North Yorkshire County Council				
Local Authority	62,395	-	-	62,395
LGPS pension (deficit)	-	(173,000)	-	(173,000)
Net assets	<u>62,395</u>	<u>(173,000)</u>	<u>1,100,000</u>	<u>989,395</u>

The total income and net income/expenditure comprise total income of £409,769 and net income of £54,267 contributed by Hampsthwaite C of E Primary school between the date of the transfer and 31 August 2017.

26 POST BALANCE SHEET EVENT

On 1 December 2017 North Rigton Church of England Primary School joined Yorkshire Causeway Schools Trust.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO YORKSHIRE CAUSEWAY SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 8 August 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire Causeway Schools Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Yorkshire Causeway Schools Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Yorkshire Causeway Schools Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Yorkshire Causeway Schools Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Yorkshire Causeway Schools Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO YORKSHIRE CAUSEWAY SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Yorkshire Causeway Schools Trust and the ESFA in accordance with the terms of our engagement letter dated 8 August 2017. Our work has been undertaken so that we might state to the Yorkshire Causeway Schools 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 Causeway Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
West Yorkshire
LS1 4DL

Date: 7/12/17