

Company Registration No. 07663935



Yorkshire Causeway Schools Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2018

Yorkshire Causeway Schools Trust

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Yorkshire Causeway Schools Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop of Leeds as Diocesan Bishop Ms Claire Kelley, Chair of Board of Trustees to 17 th September 2018 Mrs Alison Glover Chair of Board of Trustees with effect from 18 th September 2018 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 Alison Glover (Vice Chair to 17 th September 2018) Chair with effect 18 th September 2018) Mr Steven Scarisbrick (Vice Chair with effect 18 th September 2018) Mr John Bushell Mr David Fisher Mr John Wood Mr Terence Harrison Mr Philip Titchmarsh Mr Martin Wicks Ms Claire Kelley (Chair to 17 th September 2018) Mr Seth King Mr Andrew Symonds Dr Jill Adam (resigned 14 May 2018)	
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 Mrs Zoe Anderson Mr Andrew Phoenix Mrs Amber Andrews Mrs Sarah Taylor Mrs Jane Goodwin Mrs Clare Dowson	Accounting Officer and Executive Principal CFO and Associate Headteacher Headteacher Headteacher Headteacher Headteacher (resigned 31 December 2017) Headteacher (appointed 1 January 2018) Headteacher Headteacher Headteacher (from 1 July 2018 to 31 August 2018) Chief Operating Officer (appointed 1 September 2018) Finance Director (appointed 1 September 2018)
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	Sagars Accountants Ltd Gresham House 5-7 St Paul's Street Leeds LS2 2JG	

Yorkshire Causeway Schools Trust

REFERENCE AND ADMINISTRATIVE DETAILS

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 2018. 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 one secondary and seven primary academies in Harrogate. The Trust has a combined pupil roll of 3,534 in the school census October 2018.

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 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 operates as Yorkshire Causeway Schools Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative details on page 2.

During the year, two schools, North Rigton Church of England Primary School and All Saints Church of England Primary School, converted to academy status and joined the Trust.

The Trust consists of eight academies:

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
Hampsthwaite Church of England Primary School
North Rigton Church of England Primary School (converted 1st December 2017)
All Saints Church of England Primary School (converted 1st July 2018)

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 from Zurich 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.

Trustees' indemnity provisions are detailed in note 11 of the financial statements.

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.

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 five 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);

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- 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 ex-officio trustees, all other trustees are appointed for a maximum term of four years. 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 25th June 2018 and attended by over 70 delegates. The event focused on training, with sessions based on the needs identified by LGB chairs.

The four sessions, provided training and updates on;

- New to Governance
- Pupil Premium and disadvantaged Pupils
- Data, Monitoring and Handling complaints
- Headteacher Performance and Ofsted Update

In addition to the annual programme of face to face training for governors, the Trust subscribes to the NGA's 'Learning Link' online training platform, further reinforcing its commitment to the provision of high quality training for governors and trustees.

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, Hampsthwaite Church of England Primary School, North Ripton Church of England Primary School (converted 1st December 2017) and All Saints Church of England Primary School (converted 1st July 2018)

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.

There are shared central functions for finance, compliance 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. Statutory policies are aligned across the Trust.

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.

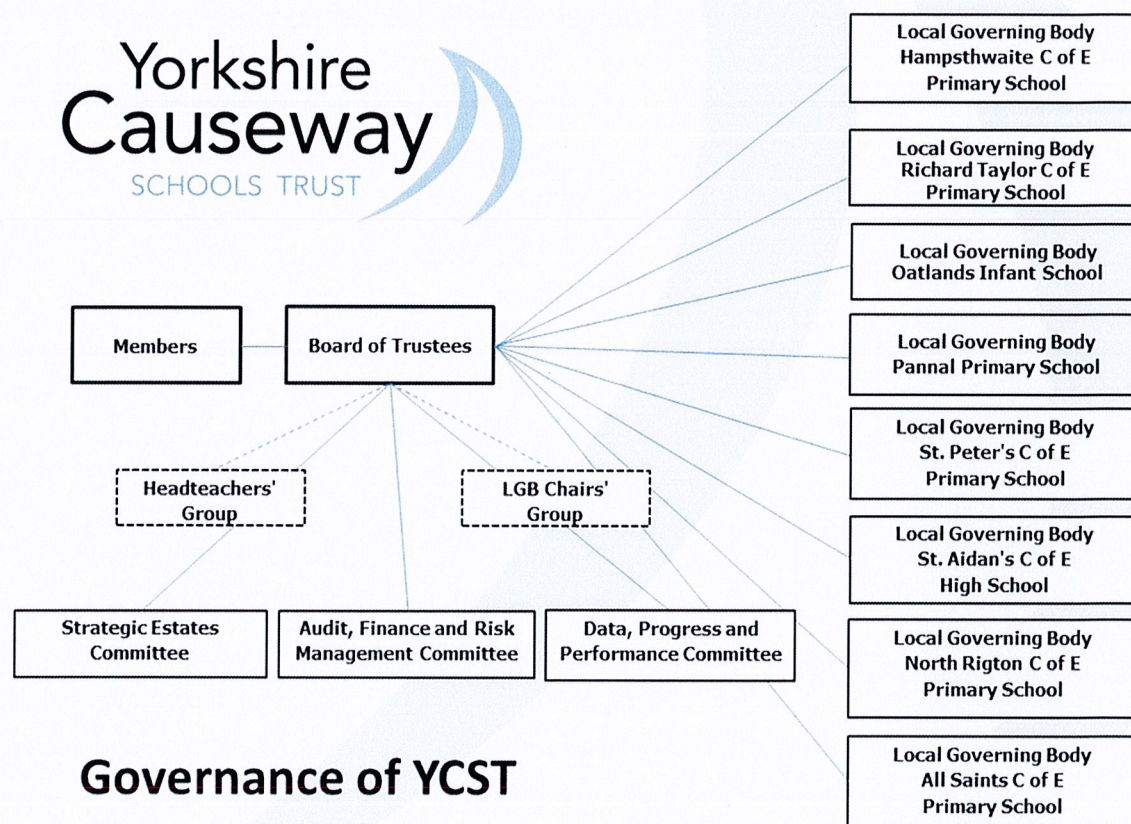
The board is responsible for ensuring that the church or community character of schools is upheld and works with the LGB to ensure that this is achieved.

All trustees and governors give their time freely and no remuneration or expenses were paid in the year in respect of the governors' duties.

The Executive Principal is the accounting officer.

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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 LGB's finance sub-committees 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.

Employee involvement

Regular meetings are held involving employees and management at which employees are informed of matters concerning them, Trust development and financial and economic factors affecting the performance of the Trust.

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Trade union facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 ("the 2017 Regulations") and as an employer with over 49 full-time equivalent (FTE) employees, Yorkshire Causeway Schools Trust is required to disclose information on trade union facility time.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of working hours spent on facility time

Percentage of time	Number of employees
0% of working hours	6
1 to 50% of working hours	0
51 to 99% of working hours	0
100% of working hours	0

Total pay bill and facility time costs

Total cost of facility time	0
Total pay bill	12,824,468
Percentage of pay spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time) x 100	0
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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, Hampsthwaite, North Rigton and All Saints 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 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.

A register of interests is held by the Trust. This captures the relevant business and pecuniary interests of members, trustees and local governors of academies. This is reviewed annually.

Objectives and Activities

Objects and Aims

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.

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.

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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 2016 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."

The headteachers group, made up of all the headteachers in the Trust, meet fortnightly to agree strategic direction and provide support.

An annual training day took place 8 January 2018 for the Trust's primary schools. The event focused on key areas including Makaton, computing, maths, spelling, phonics, health and safety, fire awareness and mental health/wellbeing of pupils and staff.

In July, St. Aidan's hosted the Trust's inaugural Sport's Day for its primary aged children. The day was a great success with very positive comments from pupils and staff.

Twelve network groups meet regularly throughout the year in line with their terms of reference. The purpose of the groups is to ensure effective communication, drive standards and performance, share good practice and provide a consistent approach across the Trust. Actions and outcomes from these network groups are shared with all staff across Trust schools in order to ensure that outcomes for all pupils are maximized.

Chairs of Trust LGBs meet regularly to share news and best practice and to receive updates from Trust board meetings. There are also regular meetings of LGB clerks and of school administrators.

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.

The Trust's sponsor academy status has informed its Development Plan for 2018-19. The plan will focus on the following key areas which will be embedded into the work of all Trust schools during the year:

1. To ensure that governance at local governing level is well informed, well trained and highly effective at providing support and challenge at individual school level.
2. To ensure that the central services provided by the MAT are appropriate and efficient to meet the needs of a growing and evolving organisation.
3. To ensure that the Trust has a robust and effective structure for supporting school improvement and monitoring the impact of actions taken on pupil progress and achievement
4. To ensure the MAT is meeting the needs of vulnerable learners with a particular focus on the progress and attainment of disadvantaged children with directed pupil premium funding.
5. To raise the profile of staff and pupil wellbeing across the MAT and ensure that strategies are in place to provide appropriate and effective support.

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Public Benefit

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

All the schools within the Trust provide an inclusive curriculum for the pupils within their local community. St Aidan's offer its facilities for local organisations to let their premises.

The Trust operates eight academies including; one Church of England secondary school, two community primary schools and five 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 apply. 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.

Strategic Report

Achievements and performance School	Ofsted Outcome	Headline Results for year ending 31 st August 2018	Pupil No actual/Capacity October 2018	Attendance																																														
St. Aidan's CE High School	Outstanding 2006	<div>GCSE Results Summer 2018</div> <table><tr><td>Attainment 8</td><td>59.82</td></tr><tr><td>Progress 8</td><td>0.80</td></tr></table> <table><tr><td>23%</td><td>are</td><td>A* or 9-8</td></tr><tr><td>40%</td><td>are</td><td>A*/A or 9-7</td></tr><tr><td>79%</td><td>are</td><td>A*/B or 9-5</td></tr><tr><td>91%</td><td>are</td><td>A*/C or 9-4</td></tr></table> <table><tr><td>English and Mathematics</td><td>No</td><td>%</td></tr><tr><td>Number with 4 or better in En</td><td>234</td><td>94</td></tr><tr><td>Number with 4 or better in Ma</td><td>221</td><td>89</td></tr><tr><td>Number with 4 or better in En and Ma</td><td>218</td><td>88</td></tr><tr><td>Number with 5 or better in En</td><td>211</td><td>85</td></tr><tr><td>Number with 5 or better in Ma</td><td>187</td><td>75</td></tr><tr><td>Number with 5 or better in En and Ma</td><td>176</td><td>71</td></tr></table> <div>A Level Results Summer 2018</div> <div>St. Aidan's and St John Fisher Associated Sixth Form</div> <div>A Level grades or equivalent attained excluding General Studies</div> <table><tr><td>26.6%</td><td>are</td><td>A*/A</td></tr><tr><td>52%</td><td>are</td><td>A*-B</td></tr><tr><td>97.1%</td><td>are</td><td>A*-E</td></tr></table> <div>Points/grade per entry = 34.82 (C+)</div>	Attainment 8	59.82	Progress 8	0.80	23%	are	A* or 9-8	40%	are	A*/A or 9-7	79%	are	A*/B or 9-5	91%	are	A*/C or 9-4	English and Mathematics	No	%	Number with 4 or better in En	234	94	Number with 4 or better in Ma	221	89	Number with 4 or better in En and Ma	218	88	Number with 5 or better in En	211	85	Number with 5 or better in Ma	187	75	Number with 5 or better in En and Ma	176	71	26.6%	are	A*/A	52%	are	A*-B	97.1%	are	A*-E	1929/1823	96.04%
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Richard Taylor	Good 2017	EY Foundation	85% + 9% achieved good level of development	278/273	98%
		Yr 1 Phonics	83% + 2% met standard		
		KS1 RWM	77% +10.4% working at expected standard		
		KS2 RWM	79% + 3% working at expected standard		
St Peter's CE Primary	Good 2016	EY Foundation	71% achieved good level of development	285/280	96.3%
		Yr 1 Phonics	83% met standard		
		KS1 RWM	59% working at expected standard		
		KS2 RWM	55% working at expected standard		
Pannal Primary School	Good 2014	EY Foundation	81% achieved good level of development	438/420	97%
		Yr 1 Phonics	84% met standard		
		KS1 RWM	77% working at expected standard		
		KS2 RWM	78% working at expected standard		
Oatlands Infant School	Outstanding 2013	EY Foundation	76% achieved good level of development	238/270	98%
		Yr 1 Phonics	80% met standard		
		KS1 RWM	working at expected standard: Reading 87% Writing 83% Maths 88%		
		KS2 RWM	Not applicable		
Hampsthwaite C of E Primary School	Outstanding 2014	EY Foundation	82% achieved good level of development	126/114 Plus 19 part-time nursery (15.5 FTE)	95.8%
		Yr 1 Phonics	75% met standard		
		KS1 RWM	70% working at expected standard		
		KS2 RWM	47% working at expected standard		

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North Rigton C of E Primary School	Good 2015	EY Foundation	77.8% achieved good level of development	99/105	97%
		Yr 1 Phonics	100% met standard		
		KS1 RWM	69% working at expected standard		
		KS2 RWM	73.33% working at expected standard		
All Saints C of E Primary School	Good 2013	EY Foundation	63.6% achieved good level of development	87/105	97%
		Yr 1 Phonics	87% met standard		
		KS1 RWM	71% working at expected standard		
		KS2 RWM	50% working at expected standard		

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 the Trust's twelve network curriculum groups.

GAG funding £13,257,253 (2017: £12,652,335)

SEN High Need/Low incidence £583,969 (2017: £580,011)

Staffing costs (excluding catering staff) represented as percentage of GAG funding were 95% (2017:93%)

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

Net movement in funds were £3,002,141 (2017: £2,961,201), with net assets at 31 August 2018 of £26,705,415 (2017: £23,703,274).

The reserves position at 31 August 2018 is as follows: Restricted funds excluding pension reserve £25,719,877 (2017: £23,589,968), unrestricted funds (General fund) £5,801,538 (2017: £5,596,306)

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 an amount of their own choosing. 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 £47,822 (2017: £47,776).

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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 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 8.5% of GAG income plus an appropriate contingency of £10,000 for emergency premises work. The contingency is increased to £100,000 for St. Aidan's.

	Minimum balance required for reserves	Funds 2018 £	Funds 2017 £
St. Aidan's C of E High School	813,291	4,787,866	4,811,589
Richard Taylor Primary School	91,550	277,236	263,526
St. Peter's Primary School	93,585	209,473	182,727
Pannal Primary School	120,448	140,737	138,772
Oatlands Infant School	79,526	152,963	128,947
Hampsthwaite Primary School	48,254	104,006	47,220
North Rigton Primary School	43,146	34,906	-
All Saints Primary School	42,114	81,354	-
	<u>1,331,914</u>	<u>5,788,541</u>	<u>5,572,781</u>

The unrestricted reserves of £5,801,538 (2017: £5,596,306) are freely available for general purposes. These will be allocated in line with the strategic objectives of the Trust. The trustees recognise the level of reserves is in excess of the target level but given uncertainties in respect of the teachers' pay award, other non-discretionary costs and Sixth Form student numbers the board agree that the level of reserves is still appropriate. Budgets and future plans, including estates management will continue to be reviewed to monitor use of reserves.

The restricted funds of £20,903,877 (2017: £18,106,968) include the year end pension liability of £4,816,000 (2017: £5,483,000) and restricted fixed asset funds of £25,708,964 (2017: £23,589,968). It is the opinion of the trustees that the pension liability will not fall due for payment in the foreseeable future.

Whilst the Trust holds reserves of £26,705,415 (2017: £23,703,274) an income stream will continue to be required in order, to enable the Trust to function.

The Trust feel that this is a prudent level of reserves to hold due to the current uncertainty of future pupil numbers, non-discretionary costs and uncertainty over future funding.

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, whilst exposing the Trust to minimal risk for the period of time the funds are to be invested.

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The Trust does not have an Endowment Fund.

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. The Trust is wholly dependent on its good reputation to maintain student numbers and thereby determine its income levels. The Trust has little or no discretion on the key costs of pension contributions, national pay awards and NI.

Schools within the Trust continue to provide excellent provision and support for students with special needs, despite the significant funding shortfall. There is great uncertainty over levels of funding from North Yorkshire County Council and the Trust experienced in-year funding cuts with little notice. The Trust will continue to pressure the authority for the necessary funding

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.

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Fundraising

The Academy does not use any professional fundraiser or commercial participator to carry out activities on the Academy's behalf. Due to the low level of fundraising the Academy undertakes, the Academy is not a participator of any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the Academy.

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.

During the year the Trust was granted Academy Sponsor Status.

The Trust has received a number of approaches from schools wishing to join the Trust. These approaches will be subject to rigorous due diligence before any decision can be made.

During the year the processes have been embedded and resources increased which allow the Trust to accommodate growth that may result from Sponsor Status and approaches made by schools wishing to join the Trust.

The Trust continue 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.

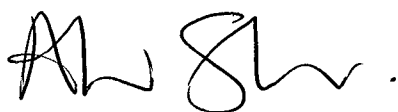
Auditor

Insofar as the trustees are aware:

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

During the year RSM UK Audit LLP resigned and Sagars Accountants Limited were appointed on 8 May 2018.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees as the company trustees, on 4 December 2018 and signed on the board's behalf by:



Mrs Alison Glover
Chair of trustees

4 December 2018

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 information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met six times during the year. Attendance during the year of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Claire Kelley (Chair)	3	6
Mrs Alison Glover (Vice Chair)	6	6
Mr John Bushell	5	6
Mr David Fisher	6	6
Mr John Wood (CEO)	6	6
Mr Terence Harrison	6	6
Mr Philip Titchmarsh	4	6
Mr Martin Wicks	4	6
Mr Steven Scarisbrick	4	6
Mr Seth King	6	6
Mr Andrew Symonds	6	6
Dr Jill Adam (resigned 14 May 2018)	2	4
Also attended:		
Mr Christopher Burt	6	6

The board has established the following sub-committees to support its work and provide strategic direction and accountability:

Audit, Finance and Risk Management (4 meetings a year) CEO and 2 Trustees. From 1 September a further Trustee will attend.

Strategic Estates established May 2018 (3 meetings a year) CEO and 2 Trustees

Data, Progress and Performance – established March 18 (3 meetings a year) CEO and 5 Trustees

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 Director 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.

The committee receives the termly risk reports from the academies.

Attendance at meetings in the year was as follows:

Yorkshire Causeway Schools Trust

GOVERNANCE STATEMENT

Trustee	Meetings attended	Out of a possible
Mr John Bushell (Chair)	3	4
Ms Claire Kelley (co-opted for quorum)	2	2
Mr David Fisher	4	4
Mr John Wood (CEO)	4	4
LGB Governors		
Mr John Garnett	4	4
Mr Graham Wild	4	4
Also attended:		
Mr Christopher Burt	4	4
Mrs Clare Dowson	4	4

Review of Value for Money

As accounting officer and chief executive, Mr John Wood 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 by:

- The engagement of a new auditor, following a tender process, for the Audit of the Year-end Financial Services and Teachers Pension Audit.
- Reviewing the catering services and bringing those 'in house' for a number of the Primary Schools.
- Staff costs – review of staff absence insurance, to ensure that an adequate level of insurance is provided relative to the premiums. The alternative of covering the absence within the Trust by pooling premiums has been determined to be too great a risk compared to the current scheme.

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 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Yorkshire Causeway Schools Trust

GOVERNANCE STATEMENT

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 FGP 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.

The board of trustees has considered the need for a specific internal audit function and RSM Risk Assurance Services LLP provides an internal audit service managed by Robert Barnett. The role of internal audit includes giving advice on financial matters and performing a range of checks on the Trust's financial systems on a regular basis. The internal audit report informs the trustees on the operation and effectiveness of the systems of internal control. In particular the internal audit checks in the current period focussed on the following areas:

- Order, receipt & payment
- Income & Debtors
- Payroll

Review of Effectiveness

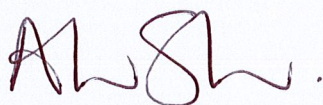
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the systems of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- 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 and a plan to address weaknesses should any arise and ensure continuous improvement of the system is in place.

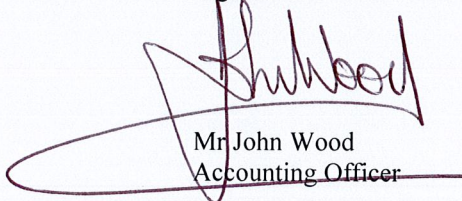
Approved by order of the Board of Trustees on 4 December 2018 and signed on its behalf by:

Signed



Mrs Alison Glover
Chair of Trustees

Signed



Mr John Wood
Accounting Officer

Yorkshire Causeway Schools Trust

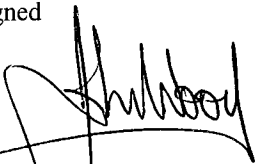
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2017.

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 2017.

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

Signed


Mr John Wood
Accounting Officer

4 December 2018

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 2017 to 2018;
- 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 4 December 2018 and signed on its behalf by:

Signed



Mrs Alison Glover
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE CAUSEWAY SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Yorkshire Causeway Schools Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE CAUSEWAY SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2018

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE CAUSEWAY SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2018

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Susan Seaman BA, FCA, CIOT (Senior Statutory Auditor)
For and behalf of
SAGARS ACCOUNTANTS LIMITED
Chartered Accountants and Statutory Auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2 JG

4 December 2018

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

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire Causeway Schools Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Yorkshire Causeway Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Yorkshire Causeway Schools Trust's funding agreement with the Secretary of State for Education dated August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

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

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

- Making appropriate enquires of the Accounting Officer

Conclusion

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

Sagars .

Reporting Accountant

SAGARS ACCOUNTANTS LIMITED
Chartered Accountants & Statutory Auditor

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

4 December 2018

Yorkshire Causeway Schools Trust

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

for the year ended 31 August 2018

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018	Total 2017
		£	£	£	£	£
INCOME FROM:						
Donations and capital grants	2	74,255	88,625	669,545	832,425	735,031
Transfers on conversion	25	147,998	(72,087)	2,673,290	2,749,201	989,395
Charitable activities:						
Funding for the academy trust's educational operations	3	1,909,428	14,685,781	-	16,595,209	15,717,347
Teaching school	26	850	490,817	-	491,667	378,287
Other trading activities	4	506,603	-	-	506,603	491,382
Investments	5	20,446	-	-	20,446	23,607
Total		<u>2,659,580</u>	<u>15,193,136</u>	<u>3,342,835</u>	<u>21,195,551</u>	<u>18,335,049</u>
EXPENDITURE ON:						
Charitable activities:						
Academy trust educational operations	6,7	(2,463,009)	(15,232,942)	(1,108,724)	(18,804,675)	(17,829,040)
Teaching school	26	(8,387)	(467,396)	-	(475,783)	(423,362)
Total		<u>(2,471,396)</u>	<u>(15,700,338)</u>	<u>(1,108,724)</u>	<u>(19,280,458)</u>	<u>(18,252,402)</u>
NET INCOME/(EXPENDITURE)		188,184	(507,202)	2,234,111	1,915,093	82,647
Gross transfers between funds		-	115,116	(115,116)	-	-
NET INCOME/(EXPENDITURE)		188,184	(392,086)	2,118,995	1,915,093	82,647
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligations	22	-	1,070,000	-	1,070,000	2,861,000
Gains on investments	13	17,048	-	-	17,048	17,554
NET MOVEMENT IN FUNDS		<u>205,232</u>	<u>677,914</u>	<u>2,118,995</u>	<u>3,002,141</u>	<u>2,961,201</u>
TOTAL FUNDS BROUGHT FORWARD		<u>5,596,306</u>	<u>(5,483,000)</u>	<u>23,589,968</u>	<u>23,703,274</u>	<u>20,742,073</u>
TOTAL FUNDS CARRIED FORWARD	17	<u>5,801,538</u>	<u>(4,805,086)</u>	<u>25,708,963</u>	<u>26,705,415</u>	<u>23,703,274</u>

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

Yorkshire Causeway Schools Trust

BALANCE SHEET

31 August 2018

Company Registration No: 07663935

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	12	25,306,764	23,252,529
Investments	13	1	1
		<u>25,306,765</u>	<u>23,252,530</u>
CURRENT ASSETS			
Debtors	14	702,168	536,070
Investments	13	4,971,049	5,020,000
Cash at bank and in hand		2,249,519	2,239,060
		<u>7,922,736</u>	<u>7,795,130</u>
CREDITORS: Amounts falling due within one year	15	<u>(1,708,086)</u>	<u>(1,861,386)</u>
NET CURRENT ASSETS		<u>6,214,650</u>	<u>5,933,744</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>31,521,415</u>	<u>29,186,274</u>
Defined benefit pension scheme liability	22	<u>(4,816,000)</u>	<u>(5,483,000)</u>
NET ASSETS		<u><u>26,705,415</u></u>	<u><u>23,703,274</u></u>
FUNDS OF THE TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	17	25,708,963	23,589,968
Other restricted fund	17	10,914	-
RESTRICTED FUNDS EXCLUDING PENSION RESERVE		<u>25,719,877</u>	<u>23,589,968</u>
Pension reserve	17	<u>(4,816,000)</u>	<u>(5,483,000)</u>
TOTAL RESTRICTED FUNDS		<u><u>20,903,877</u></u>	<u><u>18,106,968</u></u>
UNRESTRICTED INCOME FUNDS			
General fund	17	<u>5,801,538</u>	<u>5,596,306</u>
TOTAL UNRESTRICTED FUNDS		<u><u>5,801,538</u></u>	<u><u>5,596,306</u></u>
TOTAL FUNDS		<u><u>26,705,415</u></u>	<u><u>23,703,274</u></u>

The financial statements on pages 25 to 51 were approved by the Board of Trustees and authorised for issue on 4 December 2018, and are signed on their behalf by:



Mrs Alison Glover
Chair of Trustees

Yorkshire Causeway Schools Trust

STATEMENT OF CASH FLOWS

For the year ended 31 August 2018

	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	(414,773)	831,175
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		20,446	23,607
Capital grants from DfE/ESFA		669,545	513,437
Increase of current asset investments		66,000	(122,446)
Purchase of tangible fixed assets		(489,669)	(175,998)
Transfer of cash on conversion		158,910	62,395
		<hr/>	<hr/>
Net cash provided by / (used in) investing activities		425,232	300,995
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR		10,459	1,132,170
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the year		2,239,060	1,106,890
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	20	2,249,519	2,239,060
		<hr/>	<hr/>

Yorkshire Causeway Schools Trust

ACCOUNTING POLICIES

For the year ended 31 August 2018

General information

Yorkshire Causeway Schools Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 2. The nature of the Trust's operations is set out in the Trustees' Report.

Basis of Preparation

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy 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.

Prior year figures have been adjusted as appropriate to reallocate analysis of costs between individual academies.

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, probability 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 2018

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 Academy 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 2018

Fund Accounting

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

Freehold buildings	Over 25 years expected useful life
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.

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

Yorkshire Causeway Schools Trust

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For the year ended 31 August 2018

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.

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.

Yorkshire Causeway Schools Trust

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For the year ended 31 August 2018

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 two schools 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, North Rigton Church of England Primary School and All Saints 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 on conversion and Charitable activities - transfer 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.

Unrealised gains

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

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2018 £	Total 2017 £
DfE/ESFA capital grant for building		-	669,545	669,545	592,182
Other donations	74,255	88,625	-	162,880	142,849
	<u>74,255</u>	<u>88,625</u>	<u>669,545</u>	<u>832,425</u>	<u>735,031</u>

The income from donations and capital grants in 2017 was £735,031 of which £75,452 was unrestricted, £146,142 was restricted and £513,437 was restricted fixed asset funds.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

3 FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	13,257,253	13,257,253	12,652,335
Other DfE/ESFA grants	-	791,217	791,217	624,922
	-	14,048,470	14,048,470	13,277,257
OTHER GOVERNMENT GRANTS				
Local authority grants	-	53,342	53,342	65,006
Special educational projects	-	583,969	583,969	580,011
Other government grants	-	-	-	200
	-	637,311	637,311	645,217
OTHER OPERATIONAL INCOME				
Trip income	851,972	-	851,972	780,758
Catering income	1,057,456	-	1,057,456	1,014,114
TOTAL	1,909,428	14,685,781	16,595,209	15,717,347

The income from educational operations in 2017 was £15,717,347 of which £1,792,272 was unrestricted and £13,925,075 was restricted general funds

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Department income	32,792	-	32,792	59,384
Income from lettings	179,753	-	179,753	148,499
ITT income	24,000	-	24,000	23,743
School fund income	110,763	-	110,763	108,938
Ticket sales re productions	23,795	-	23,795	20,211
Other income	52,303	-	52,303	73,191
Exam income	3,583	-	3,583	9,892
Security cards	8,243	-	8,243	4,596
School Sports partnership	1,700	-	1,700	-
Recharges to St. John Fisher re sixth form	13,572	-	13,572	13,440
Other finance income	56,099	-	56,099	29,489
	506,603	-	506,603	491,383

Other trading activities income in 2017 was £491,383 of which all of the income was unrestricted funds.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Bank interest received	20,446	-	20,446	23,607
	<u>20,446</u>	<u>-</u>	<u>20,446</u>	<u>23,607</u>

Investment income in 2017 was £23,607 all of which was unrestricted.

6 EXPENDITURE

	Staff Costs £	Non-pay expenditure Premises £	Other Costs £	Total 2018 £	Total 2017 £
Trust's educational operations:					
Direct costs	11,522,052	-	1,626,093	13,148,145	12,591,688
Allocated support costs	1,248,946	2,084,042	2,323,542	5,656,530	5,237,353
Teaching School:					
Direct Costs	337,739	-	66,197	403,936	302,184
Allocated Support costs	<u>44,972</u>	<u>-</u>	<u>26,875</u>	<u>71,847</u>	<u>121,177</u>
	<u>13,153,709</u>	<u>2,084,042</u>	<u>4,042,707</u>	<u>19,280,458</u>	<u>18,252,402</u>
				Total 2018 £	Total 2017 £

Net income / (expenditure) for the year includes:

Operating lease rentals	30,976	28,461
Depreciation	1,108,724	1,088,154
Net interest on defined benefit pension scheme	129,000	141,000
Fees payable to Auditors for:		
Audit	13,850	21,700
Other services	<u>1,200</u>	<u>10,400</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

7 CHARITABLE ACTIVITIES

	Total 2018 £	Total 2017 £
Direct costs – educational operations	13,552,081	12,591,688
Support costs – educational operations	5,728,377	5,660,714
	<u>19,280,458</u>	<u>18,252,402</u>

Analysis of support costs

	Total 2018 £	Total 2017 £
Support staff costs	1,484,918	1,726,977
Depreciation	1,108,724	1,088,154
Recruitment and support	11,071	12,352
Technology costs	155,331	138,638
Maintenance of premises and equipment	462,534	377,404
Cleaning	144,238	137,699
Rent and rates	114,924	100,470
Energy costs	212,007	200,467
Insurance	185,853	132,820
Security and transport	69,795	68,210
Bank charges	331	195
Catering supplies	1,124,528	1,157,767
Other support costs	422,204	257,082
Pension finance cost	129,000	141,000
Governance costs	102,919	121,479
	<u>5,728,377</u>	<u>5,660,714</u>

Expenditure on charitable activities during the year was £19,280,458 (2017: £18,252,402) of which £2,471,396 (2017: £1,581,698) was unrestricted, £1,108,724 (2017: £1,088,154) was restricted fixed asset funds and £15,700,338 (2017: £15,582,550) was restricted general funds.

8 STAFF NUMBERS AND COSTS

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	10,149,908	9,535,037
Social security costs	875,345	833,055
Pension costs	1,804,145	1,753,472
	<u>12,829,398</u>	<u>12,121,564</u>
Supply staff costs	284,044	136,343
Apprenticeship levy	37,267	-
Compensation payments	3,000	-
	<u>13,153,709</u>	<u>12,257,907</u>

Included in compensation payments are non-statutory/non-contractual severance payments totalling £3,000. This represents one individual payment of £3,000.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

8 STAFF NUMBERS AND COSTS *(continued)*

Staff numbers

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

	2018 No	2017 No
Teachers	158	148
Administration and support	165	149
Management	20	20
	<hr/>	<hr/>
	343	317
	<hr/>	<hr/>

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	2	5
£70,001 - £80,000	2	2
£80,001 - £90,000	1	2
£100,001 - £110,000	1	1
	<hr/>	<hr/>
	6	8
	<hr/>	<hr/>

All six of the above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £76,393 (2017: £95,537).

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 £693,598 (2017: £539,667).

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 and Software Licences
- Training
- Venue for appeals, Board and training events
- Finance Manager and Senior Finance Officer
- Trust Administrator
- Compliance and Resources officer
- CEO

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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:

	2018	2017
St Aidan's C of E High School	191,407	192,284
Richard Taylor Primary School	24,587	24,358
St Peter's C of E Primary School	25,120	25,764
Pannal Primary School	32,236	30,054
Oatlands Infant School	21,404	20,628
Hampsthwaite C of E Primary School	13,126	8,204
North Rigton C of E Primary School	9,580	-
All Saints Primary School	1,917	-
	<u>319,377</u>	<u>301,292</u>

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 2018 was as follows:

Mr J Wood, a Headteacher, received remuneration of £102,569 (2017: £101,554), and pension contributions paid by the Trust in the year of £16,903 (2017: £16,736).

Mr A Symonds, a Headteacher, received remuneration of £70,284 (2017: £68,464), and pension contributions paid by the Trust in the year of £11,583 (2017: £11,283).

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

During the year ended 31 August 2018, expenses totalling £792 (2017: £511) 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 2018 was £5,927 (2017: £823). 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 2018

12

TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Freehold Land and Buildings £	Leasehold Improve- ments £	Fixtures fittings and equipment £	Motor vehicles £	ICT equipment £	Assets under construction £	Total £
Cost								
1 September 2017	24,464,096	-	2,095,179	491,225	36,230	628,291	-	27,715,021
Additions	-	-	293,617	54,966	26,757	77,240	37,089	489,669
Transfer on conversion	1,178,088	1,495,202	-	-	-	-	-	2,673,290
31 August 2018	<u>25,642,184</u>	<u>1,495,202</u>	<u>2,388,796</u>	<u>546,191</u>	<u>62,987</u>	<u>705,531</u>	<u>37,089</u>	<u>30,877,980</u>
Depreciation								
1 September 2017	3,367,134	-	296,870	263,480	36,230	498,778	-	4,462,492
Charged in the year	841,128	9,723	86,932	91,595	1,115	78,231	-	1,108,724
31 August 2018	<u>4,208,262</u>	<u>9,723</u>	<u>383,802</u>	<u>355,075</u>	<u>37,345</u>	<u>577,009</u>	<u>-</u>	<u>5,571,216</u>
Net book value								
31 August 2018	<u>21,433,922</u>	<u>1,485,479</u>	<u>2,004,994</u>	<u>191,116</u>	<u>25,642</u>	<u>128,522</u>	<u>37,089</u>	<u>25,306,764</u>
Net book value								
31 August 2017	<u>21,096,962</u>	<u>-</u>	<u>1,798,309</u>	<u>227,745</u>	<u>-</u>	<u>129,513</u>	<u>-</u>	<u>23,252,529</u>

Where the land and buildings at St. Aidan's Church of England High School, St. Peter's Church of England Primary School, Hampsthwaite Church of England Primary School and North Rigton 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 operated from 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.

During the year the Freehold relating to the Land and Buildings at All Saints Church of England School was transferred to the Trust. This is to be held by the Trust and used for educational purposes only. Additionally, a separate area of leasehold land relating to the Playing fields at All Saints Church of England School has been made available to the Trust over a term of 125 years at a peppercorn rent and have been recognised in the balance sheet at fair value at the time of conversion and depreciated over their useful lives.

The Trust's transactions relating to land and buildings include the taking up of the 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 2018

13 INVESTMENTS

	2018 £	2017 £
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 2018 amounted to £458 (2017: £458). St. Aidan's Education Services Limited gift aids all profits to the Trust. For the year ended 31 August 2018 the entity made a profit amounting to £nil (2017: £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 £4,971,049 (2017: £5,020,000) relating to short term deposits. During the year there were unrealised gains of £17,048 (2017: £17,554).

14 DEBTORS

	2018 £	2017 £
Trade debtors	127,757	107,796
VAT recoverable	56,112	37,852
Prepayments and accrued income	515,597	386,206
Other debtors	2,702	4,216
	<u>702,168</u>	<u>536,070</u>

15 CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	461,877	742,728
Other taxation and social security costs	230,318	218,673
Other creditors	335,931	330,111
Accruals and deferred income	679,960	569,874
	<u>1,708,086</u>	<u>1,861,386</u>
Deferred income at brought forward	332,126	113,651
Resources deferred in the year	371,427	332,126
Released in the year	(332,126)	(113,651)
Deferred income at carried forward	<u>371,427</u>	<u>332,126</u>

Deferred income is in respect of rates relief of £36,649 (2017: £36,543), universal free school meals funding of £176,660 (2017: £172,198), amounts relating to academy trips of £96,830 (2017: £83,385), catering income of £388 (2017: £nil), YTSA membership income of £17,500 (2017: £nil) other grant income of £3,400 (2017: £nil) and £40,000 (2017: £40,000) in respect of a teaching grant.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

16 FINANCIAL INSTRUMENTS

The Trust has the following financial instruments:

	2018 £	2017 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost	319,049	187,820
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	1,056,334	1,253,546

17 FUNDS

	At 1 September 2017	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31 August 2018
	£	£	£	£	£
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	13,257,252	(13,372,368)	115,116	-
Pension reserve	(5,483,000)	-	(403,000)	1,070,000	(4,816,000)
Start-up grant	-	-	-	-	-
Pupil Premium	-	272,361	(272,361)	-	-
Other DfE/ESFA grants	-	1,009,673	(1,009,673)	-	-
Local Authority grants	-	637,311	(637,311)	-	-
Transfer on conversion	-	10,914	-	-	10,914
Other income	-	88,625	(88,625)	-	-
	<u>(5,483,000)</u>	<u>15,276,136</u>	<u>(15,783,338)</u>	<u>1,185,116</u>	<u>(4,805,086)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	945,121	669,545	(131,970)	(115,116)	1,367,580
Other capital grants	111,305	-	(7,909)	-	103,396
Capital expenditure from GAG	1,660,669	-	(117,995)	-	1,542,674
Transfer of assets on conversion	20,872,873	1,178,088	(841,127)	-	21,209,834
Transfer of freehold assets on conversion	-	1,495,202	(9,723)	-	1,485,479
	<u>23,589,968</u>	<u>3,342,835</u>	<u>(1,108,724)</u>	<u>(115,116)</u>	<u>25,708,963</u>
TOTAL RESTRICTED FUNDS	<u>18,106,968</u>	<u>18,618,971</u>	<u>(16,892,062)</u>	<u>1,070,000</u>	<u>20,903,877</u>
UNRESTRICTED FUNDS					
Unrestricted funds	5,596,306	2,659,580	(2,471,396)	17,048	5,801,538
TOTAL UNRESTRICTED FUNDS	<u>5,596,306</u>	<u>2,659,580</u>	<u>(2,471,396)</u>	<u>17,048</u>	<u>5,801,538</u>
TOTAL FUNDS	<u>23,703,274</u>	<u>21,278,551</u>	<u>(19,363,458)</u>	<u>1,087,048</u>	<u>26,705,415</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

17 FUNDS (continued)

FUNDS – PRIOR YEAR	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	2,403,207	(1,581,698)	17,554	5,596,306
TOTAL UNRESTRICTED FUNDS	<u>4,710,141</u>	<u>2,403,207</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>(3,459,483)</u>	<u>23,703,274</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 and in line with the restrictions specified in the individual grants. 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 2018.

The other restricted general fund of £10,914 relates to devolved formula capital transferred on conversion that is to be used for capital expenditure, including IT.

Restricted Fixed Asset funds are used solely for capital purchases in line with the strategic objectives of Yorkshire Causeway Schools Trust. The Freehold assets transferred on conversion are to be held by the Trust and can only be used for Educational purposes.

A total of £115,116 (2017: £nil) has been transferred to restricted funds from restricted fixed asset funds for purchase of uncapitalised work from capital funds.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

17 FUNDS (*continued*)

ANALYSIS OF ACADEMIES BY FUND BALANCE	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
St. Aidan's Church of England High School	4,787,866	4,811,589
Richard Taylor Church of England Primary School	277,236	263,526
St. Peter's Church of England Primary School	209,473	182,727
Pannal Primary School	140,737	138,772
Oatlands Infant School	152,963	128,947
Hampsthwaite Church of England Primary School	104,006	47,220
Centralised services	12,997	23,525
North Rigton Church of England Primary School	34,906	-
All Saints Church of England Primary School	81,354	-
	<hr/>	<hr/>
	5,801,538	5,596,306
Restricted Fixed Asset Fund	25,708,963	23,589,968
Restricted General	10,914	-
Pension Reserve	(4,816,000)	(5,483,000)
	<hr/>	<hr/>
	26,705,415	23,703,274
	<hr/>	<hr/>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

17 Funds (continued)

TOTAL COST ANALYSIS BY ACADEMY

	Teaching and Education Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £	Total 2017 £
St. Aidan's Church of England High School	7,321,438	864,078	161,259	3,430,807	11,777,582	11,492,221
Richard Taylor Church of England Primary School	902,704	88,092	20,817	271,057	1,282,670	1,244,169
St. Peter's Church of England Primary School	831,657	52,738	25,890	305,644	1,215,929	1,290,936
Pannal Primary School	1,223,914	77,435	23,273	400,516	1,725,138	1,664,805
Oatlands Infant School	717,126	49,547	21,209	294,925	1,082,807	1,108,633
Hampsthwaite Church of England Primary School	407,414	35,085	16,120	173,977	632,596	368,899
North Rigton Church of England Primary School	228,711	14,251	6,462	130,270	379,694	-
All Saints Church of England Primary School	46,337	4,967	741	31,117	83,162	-
Centralised services	143,224	107,724	(6,000)	(252,792)	(7,844)	(5,416)
	<u>11,822,525</u>	<u>1,293,917</u>	<u>269,771</u>	<u>4,785,521</u>	<u>18,171,734</u>	<u>17,164,247</u>

The Prior Year numbers have been adjusted to reflect a reallocation of costs between individual academies.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Tangible fixed assets	-	-	25,306,764	25,306,764
Investments	-	-	1	1
Current assets	7,509,624	10,914	402,198	7,922,736
Current liabilities	(1,708,086)	-	-	(1,708,086)
Pension scheme liability	-	(4,816,000)	-	(4,816,000)
	<u>5,801,538</u>	<u>(4,805,086)</u>	<u>25,708,963</u>	<u>26,705,415</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS *(continued)* – PRIOR YEAR

	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	-	337,439	7,795,130
Current liabilities	(1,861,386)	-	-	(1,861,386)
Pension scheme liability	-	(5,483,000)	-	(5,483,000)
	<u>5,596,305</u>	<u>(5,483,000)</u>	<u>23,589,969</u>	<u>23,703,274</u>

19 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2018 £	2017 £
Other:		
Expiring within one year	28,968	32,450
Expiring within two and five years inclusive	25,004	59,114
	<u>53,972</u>	<u>91,564</u>

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

	2018 £	2017 £
Net income for the reporting period	1,915,093	82,647
Net gain on transfer on conversion of schools joining (Note 25)	(2,832,200)	(1,162,395)
Depreciation (Note 12)	1,108,724	1,088,154
Investment income	(20,446)	(23,607)
Capital grants from DfE and other capital income	(669,545)	(513,437)
Defined benefit pension scheme obligation inherited (Note 22)	83,000	173,000
Defined benefit pension scheme cost less contributions payable (Note 22)	191,000	363,000
Defined benefit pension scheme finance cost (Note 22)	129,000	141,000
	<u>(95,374)</u>	<u>148,362</u>
Decrease/(increase) in debtors	(166,100)	129,323
Increase/(decrease) in creditors	(153,299)	553,490
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(414,773)</u>	<u>831,175</u>
Cash and cash equivalents represent:		
Cash in hand and at bank	<u>2,249,519</u>	<u>2,239,060</u>

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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, North Rigton C of E Primary School and All Saints Church of England Primary School transferred into the Academy Trust. The obligation in respect of employees who transferred with North Rigton C of E Primary School to the Academy 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 £159,584 (2017: £150,910) were payable to the Teachers' Pension Scheme at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' 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 by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 16.4% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £1,158,602 (2017: £1,120,472).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The contributions to the scheme have been accounted for as if it were a defined contribution scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £902,000 (2017: £798,000) of which employer's contributions totalled £732,000 (2017: £633,000) and employees' contribution totalled £170,000 (2017: £165,000). 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.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2018 by a qualified independent actuary.

	2018	2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment	2.00%	2.00%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.00%	2.00%

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
<i>Retiring today</i>		
Males	22.9	22.8
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	28.7	28.6

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Sensitivity Analysis	2018 £000	2017 £000
Discount rate +0.1%	10,526	9,747
Discount rate -0.1%	10,989	10,175
Mortality assumption – 1 year increase	10,452	9,666
Mortality assumption – 1 year decrease	11,059	10,253
CPI rate +0.1%	10,908	10,101
CPI rate -0.1%	10,604	9,819

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

	Fair value of assets	
	2018 £	2017 £
Equity instruments	3,604,973	2,968,000
Government bonds	962,118	573,000
Corporate bonds	-	134,000
Property	469,181	363,000
Cash	17,817	22,000
Other	884,911	416,000
TOTAL FAIR VALUE OF ASSETS	5,939,000	4,476,000

The actual return on scheme assets was £535,000 (2017: £953,000).

<u>Amounts recognised in the statement of financial activities</u>	2018 £	2017 £
Current service cost	923,000	996,000
Net interest cost	129,000	141,000
Total	1,052,000	1,137,000

<u>Changes in the present value of defined benefit obligations:</u>	2018 £	2017 £
At 1 September	(9,959,000)	(10,258,000)
Employee contributions	(170,000)	(165,000)
Current service cost	(923,000)	(996,000)
Interest cost	(252,000)	(211,000)
Benefits paid	103,000	105,000
Actuarial (loss)/gain	658,000	1,978,000
Upon conversion	(212,000)	(412,000)
At 31 August	(10,755,000)	(9,959,000)

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

22 PENSION AND SIMILAR OBLIGATIONS *(continued)*

<u>Changes in the fair value of academy's share of scheme assets:</u>	2018	2017
	£	£
At 1 September	4,476,000	2,591,000
Employer contributions	732,000	633,000
Employee contributions	170,000	165,000
Expected return	123,000	70,000
Benefits paid	(103,000)	(105,000)
Return on plan assets	412,000	883,000
Upon conversion	129,000	239,000
	<hr/>	<hr/>
At 31 August	5,939,000	4,476,000
	<hr/>	<hr/>

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 2018 £458 (2017: £458).

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 £29,682 (2017: £30,873), disbursed £36,714 (2017: £30,281) and had a 16/17 brought forward unspent balance of £56,583 (2017: £55,991). Therefore, an amount of £49,550 (2017: £56,583) repayable by the Trust at the 31 August 2018 is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £1,484 (2017: £1,554) 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 2018

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>
North Rigton C of E Primary School	North Rigton C of E Primary School	1 December 2017	North Yorkshire County Council
All Saints C of E Primary School	All Saints C of E Primary School	1 July 2018	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.

North Rigton Church of England Primary School	<i>Unrestricted funds</i>	<i>Restricted General Fund</i>	<i>Restricted Fixed Asset Fund</i>	<i>Total</i>
	£	£	£	£
Tangible fixed assets			1,150,300	1,150,300
School budget surplus/(deficit) from North Yorkshire County Council Local Authority	58,161	-	-	58,161
LGPS pension (deficit)		(41,500)	-	(41,500)
Net assets	<u>58,161</u>	<u>(41,500)</u>	<u>1,150,300</u>	<u>1,166,961</u>

All Saints Church of England Primary School	<i>Unrestricted funds</i>	<i>Restricted General Fund</i>	<i>Restricted Fixed Asset Fund</i>	<i>Total</i>
	£	£	£	£
Tangible fixed assets from local Authority			27,788	27,788
Freehold land and buildings transferred			1,495,202	1,495,202
School budget surplus/(deficit) from North Yorkshire County Council Local Authority	89,837	-	-	89,837
LGPS pension (deficit)		(41,500)	-	(41,500)
DFC funds from Diocese of Leeds		10,914	-	10,914
Net assets	<u>89,837</u>	<u>(30,586)</u>	<u>1,522,990</u>	<u>1,582,241</u>

The total income and net income/expenditure comprises total income of £1,564,777 and net income of £1,157,587 contributed by North Rigton C of E Primary School and total income of £1,699,883 and net income of £1,610,198 contributed by All Saints Church of England primary School between the date of the transfer and 31 August 2018.

Yorkshire Causeway Schools Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

26 TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2017 £
Income		
Grant Income	328,897	248,333
University income	138,065	108,934
Other income	24,705	21,020
	<hr/>	<hr/>
Total Income	491,667	378,287
	<hr/>	<hr/>
Expenditure		
Direct costs		
Direct Staff Costs	337,739	294,991
Staff Training	65,797	50,863
Other direct costs	9,837	8,954
	<hr/>	<hr/>
Total Direct costs	413,373	354,808
Other costs		
Support staff costs	45,355	37,898
Technology costs	513	1,800
Marketing	1,959	4,009
Professional fees	2,017	1,250
Other support costs	12,565	23,596
	<hr/>	<hr/>
Total other costs	62,409	68,553
	<hr/>	<hr/>
Total Expenditure	475,782	423,361
	<hr/>	<hr/>
Surplus/(deficit) from all sources	15,885	(45,074)
Teaching school balances at 31 August 2017 (2016)	(13,634)	31,440
Teaching school balances at 31 August 2018 (2017)	2,251	(13,634)
	<hr/>	<hr/>