

Company Registration Number: 11024646 (England & Wales)

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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YORKSHIRE ENDEAVOUR ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Scholey
M Stones
D Liddle (appointed 11 February 2020)
D Davidson (resigned 10 January 2020)

Trustees

A Parker, Chairman (resigned 10 January 2020)
M Brown, Chairman (appointed 7 February 2020)
D Hall (appointed 27 September 2019)
D E Liddle (resigned 4 February 2020)
D Medcalf (resigned 21 October 2020)
M Palmer
W Parkin
S Riley (appointed 6 January 2020)
C Zanelli, CEO and Accounting Officer
AWA Masiey (resigned 22 November 2019)

Company registered number

11024646

Company name

Yorkshire Endeavour Academy Trust

Principal and registered office

Airy Hill Primary School
Waterstead Lane
Whitby
North Yorkshire
YO21 1PZ

Company secretary

S Markham

Senior management team

C Zaneli, Chief Executive Officer
N Brown, Chief Financial Officer
C Matthewman, Headteacher
K Hird, Headteacher
H Ward, Headteacher & Strategic English Hub Lead

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

S Markham

Finance Resources Audit and Risk Committee

D Liddle (Chair) Resigned

W Parkin (Chair)

D Medcalf

C Zanelli

School Improvement Leadership Group

C Zanelli (CEO)

D Hall

M Palmer

C Matthewman - (ex-officio)

H Ward (ex-officio)

K Hird (ex-officio), SBM of teaching school and CS responsible for governance

Independent auditors

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Bankers

Lloyds Bank Plc

1 St Nicholas Street

Scarborough

North Yorkshire

YO11 2YY

Solicitors

Browne Jacobson

14th Floor

No 1 Spinning Fields

1 Hardman Square

Spinningfields

Manchester

M3 3EB

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

I would very much like to thank the outgoing Chair of Yorkshire Endeavour Academy Trust (YEAT), Andrew Parker, for his contributions in establishment and first steps of the academy trust. His commitment to laying down solid foundations has meant that I am now able to refine and celebrate the quality of provision we offer.

In the last academic year our schools have reviewed their offer to students, redesigning and strengthening their respective curriculums and, lead confidently by our CEO, enhance their individual personalities.

As with all other education providers, we have also faced an unprecedented challenge in responding to COVID-19. No matter how rigorous an organisation's risk assessment process, no-one could have anticipated the full closure of schools and the impact both academically and pastorally on the youngers in our care.

Provision across the academy trust during these challenging times however has been outstanding. The strength of partnership working is evidenced in the support at all levels of leadership and day to day offer to students and families. Of course, never complacent, comprehensive reviews and strategic planning ensures we are fully prepared for the months ahead.

The priority for YEAT moving forward is to 'rise strong' responding positively to national policy change but always remaining firmly committed to a localised offer at each location.

Recognising the value of teaching and support staff, the academy trust is committed to ensuring the health and wellbeing of our workforce. Understanding the importance of effective communications with parents and stakeholders, our LGBs are supporting Headteachers in engaging with communities.

Whatever the challenges of the coming year, we fully intend to meet them head on, never to be deterred or derailed in our commitment to offering a first class education to all students, preparing them for life in an ever changing world.



M Brown
Chairman
Date: 26 November 2020

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

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

The academy trust operates 5 primary academy trust schools for pupils aged 2 to 11 in the North East of England. Its academies have a pupil capacity of 588 and had a roll of 557 in the school census in January 2020.

CEO Review

Our academy trust is built on shared core values and a real drive to provide an outstanding education for all. At the heart of YEAT lies ethical leadership. We are an inclusive group of schools who firmly believe in celebrating and preserving the diversity within our member academy schools, whilst ensuring that the academy trusts ethos of an outstanding education for all, is at our very core and underpins everything we do.

We provide a rich and exciting curriculum in a safe and caring environment, where children flourish and have the opportunity to build positive relationships, make excellent choices and be inspired to become innovative life-long learners.

Collaboration is at the core of our practice; we have an open culture, and it is through our differences that we challenge and support each other to do the best for our children. We continue to work with other schools in our teaching school alliance and beyond. Our English Hub has now supported over 100 schools across North Yorkshire, East Riding, Hambleton and York.

All of our schools are good or outstanding, and well on the journey to all becoming outstanding. We are well placed to grow, and very well placed to sponsor a school requiring support.

During the COVID lockdown period YEAT opened an emergency childcare hub for Whitby and surrounding areas in partnership with the Local Authority. We opened for children aged 0-11, providing wraparound care for parents including bank holidays and weekends. I would personally like to thank all of our staff for the exceptional dedication shown to the children of YEAT and beyond during this crisis.

It has been a very difficult year, but our schools have continued to go from strength to strength. I thank our staff, Trustees, Members, parents and children for pulling together this year and strengthening the YEAT family at a time when it could have easily become divided. There are going to be tough times ahead – but we are ready for whatever challenges face us!

C Zanelli
CEO and Accounting Officer
26 November 2020

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

Structure, governance and management

Constitution

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

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

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

The charitable company is known as Yorkshire Endeavour Academy Trust.

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

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

The academy trust has purchased insurance via RPA to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 13.

Method of Recruitment and Appointment or Election of Trustees

The academy trust, on identifying a need to recruit an additional or replacement Trustee will identify requirements based on a skills audit of current Trustees. Recruitment of new Trustees will take place from within local communities. New Trustees will be proposed by the CEO and Chair of Trustees. Trustees will vote on whether to accept the candidate.

Members may also appoint by ordinary resolution up to 5 Trustees.

All new Trustees will be required to complete an Enhanced Disclosure (through the Disclosure Barring Service).

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Principal or any post help ex officio. Subject to remaining eligible to be a particular type of trustee, any Trustee may be re-appointed or re-elected.

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

Structure, governance and management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees is bespoke to individual needs, training and mentoring requirements are tailored to their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters.

All new Trustees are given a tour of an academy schools and the chance to meet with staff and students. All Trustees are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and are tailored specifically to the individual.

Trustees are invited to collaborative leadership training provided by the academy trust and are encouraged to access training as and when required.

Organisational Structure

Governance, Leadership and Management of the academy trust is through the following:

- Board of Members
- Board of Trustees
- Committees of the Board (Finance, Resources, Audit and Risk (FRAR) and School Improvement Leadership Group (SILG))
- Yorkshire Endeavour Academy Trust CEO and Trust Senior Leadership Team
- Local Governing Boards
- Headteachers and Senior Leaders of each academy school.

The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

A comprehensive Accountabilities Framework underpins this and is available on the Yorkshire Endeavour Academy Trust website www.yeat.co.uk.

In summary, the Trustees have the following role:

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

The CEO and Trust Central Leadership Team have cross MAT responsibility for delivering on the strategic plans. Local governing bodies and Headteachers have a high level of delegated responsibilities and must ensure they meet the challenge of meeting their statutory duties and regulations and continuously improving children's outcomes.

Organic leadership is promoted across Yorkshire Endeavour Academy Trust so that we ensure that there are regular opportunities for communication between leaders and Trustees.

Regular meetings and communication take place between the CEO, Trustees and individual academy schools Leadership and Governance, providing an opportunity for discussion and training for school leaders and Trustees.

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

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trustees agree pay and remuneration for key management personnel within the academy trust, and the levels are bench marked against similar schools. Any changes to pay and remuneration are agreed by the trustees through a formal performance management process.

The academy trust's pay policy has been developed following advice and support from HR specialists and NYES.

Related Parties and other Connected Charities and Organisations

Glaisdale Primary School is the lead school for the Esk Valley Teaching Alliance (EVA) which includes approximately 40 members, the accounts for EVA are included within Yorkshire Endeavour Academy Trust. EVA supports initial teacher training (ITT), school improvement, continuous professional development and research development.

Lealholm Primary School is the lead school for Yorkshire Endeavour English Hub. English Hubs are a DfE funded initiative that supports other schools with early language teaching.

R Scholey, spouse of P Scholey, a Trust member, is employed by the academy trust as a supply teacher. R Scholey was employed as a supply teacher prior to the conversion to an academy trust. R Scholey is paid within the normal teacher pay scale and receives no special treatment as a result of her relationship to a Trust member.

H Medcalf, spouse of D Medcalf, a Trustee (resigned 21 October 2020), is employed by the academy trust as a supply teaching assistant. H Medcalf was employed as a supply teacher prior to the conversion to an academy trust. H Medcalf is paid within the normal support staff pay scale and receives no special treatment as a result of her relationship to a Trustee.

R Grace, daughter of D Davidson, a Trust Member (resigned 10 January 2020), is employed by the academy trust as a teacher at Castleton Primary School upto 31 August 2020. R Grace was employed as a teacher prior to the conversion to an academy trust. R Grace is paid within the normal teacher pay scale and receives no special treatment as a result of her relationship to a Trust member.

M Palmer, Trustee, is the Headteacher at Settrington All Saints Primary School, a designated research school and strand lead for EVA research and her school has been part of the English Hub and Esk Valley Alliance activities M Palmer was a strand lead for EVA prior to conversion to academy.

Further details are stated in note 26 to the Financial Statements.

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

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Yorkshire Endeavour Academy Trust to provide education for students of different abilities between the ages of 2 & 11.

The key aim of Yorkshire Endeavour Academy Trust is to 'provide an outstanding education for all' this will be achieved by:

- Improving provision and outcomes for all our pupils by sharing expertise through collaborative practice.

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum with emphasis on science, outdoor education and vocational subjects and their practical applications.

Objectives, Strategies and Activities

The key objectives of the academy trust (year ended 31 August 2020) are as summarised below:

- Continue to develop central systems that are effective and robust
- Continue establish and embed a clear framework for accountability and governance within the academy trust
- Develop strong collaborative approaches and systems to support school improvement and growth of the academy trust
- Work with regional schools commissioner to identify and develop growth opportunities

Yorkshire Endeavour Academy Trust continues to conduct considerable research into best practice within multi academy trusts, this research from several established trusts of similar size and demograph, as well as external consultants and professionals supports the benchmarking against similar organisations. This benchmarking is used as a guide to improve systems and procedures across the academy trust.

Consideration is given to staffing levels and key competencies across the academy trust, the academy trust continues to develop central systems to enable clear and consistent protocols are in place.

The 5 academy schools within the academy trust continue the strength of collaborative working; not only across the 5 academy trust schools but also collaborating and supporting other schools through the work of the Esk Valley Alliance and the Yorkshire Endeavour English Hub.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between 2 and 11.

Public Benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

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

Strategic Report

Achievements and Performance

Going Concern

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

Financial Review

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £3,609,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £343,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2020 net book value of fixed assets was £4,156,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £906,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2020 of £4,180,000 comprising £690,000 of restricted general funds, £4,188,000 of restricted fixed asset funds, a pension deficit of £906,000 and £208,000 of unrestricted funds.

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

Reserves Policy

The level of reserves is reviewed by Trustees annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees take into consideration the future plans of the academy trust, the uncertainty of income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of revenue reserves, within the academy trust, should be a minimum of £100,000 at any year end. The reason for this is to provide sufficient working capital to delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The current level of free reserves is £208,000 with the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 is £898,000.

Investment Policy

The academy trust would invest surplus funds, when appropriate, through low risk money market accounts. Interest rates will be reviewed prior to each investment. Investment objectives:

Achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation;

Only invest funds surplus to operational need based on all financial commitments being met without the bank account becoming overdrawn;

All investment decisions should be exercised with care and skill and consequently be in the best interests of the academy trust.

Principal Risks and Uncertainties

The Trustees have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance.

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

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

Fundraising

Fundraising continues to predominantly small scale at individual academy school level, with a specific focus on low cost items and equipment. The focus is generally around community engagement and involves small scale dress down days and cake bakes. Schools also participate in national and local events such as sports/comic relief and children in need.

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

Plans for Future Periods

Our plans for the future continue to focus upon 3 key elements of our strategy which are:

- Improving outcomes for pupils - For the forth coming year this will have the additional challenge of supporting students and colleagues resulting from demand made around Covid-19 strategies, as defined by the government. Covid recovery strategies to support students and lost learning.
- YEAT Growth
- Financial and Commercial effectiveness

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 November 2020 and signed on its behalf by:



.....
M Brown
Chairman

YORKSHIRE ENDEAVOUR ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. The Board of Trustees met less than 6 times due to the clearly established committess of Trustees who can deal with specific areas of responsibility following robust terms of reference.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Parker (resigned 10 January 2020)	1	4
C Zanelli, CEO and Accounting Officer	4	4
D Medcalf (resigned 21 October 2020)	1	4
D Hall (appointed 27 September 2019)	4	4
D E Liddle (resigned 4 February 2020)	1	4
M Palmer	4	4
M Brown, Chairman (appointed 7 February 2020)	1	4
S Riley (appointed 6 January 2020)	4	4

Trust Board

During this year 3 Trustees resigned, the Board of Trustees thanks them for their support and contribution towards the work of the academy trust, all three were part of the initial shadow board and supported the transition into an established academy trust.

The Board of Trustees has been joined by 2 Trustees who have a wealth of experience in educational settings at senior or board level.

Mathew Brown was elected as academy trust Chair.

The Finances, Resources, Audit and Risk (FRAR) is a committee is a sub-committee of the main Board of Trustees. Its purpose is to carry out duties delegated by the main board in matters linked to finance and risk. The committee meets 3 times per year.

During this year Delia Liddle FRAR Chair resigned, Trustee Wendy Parkin was elected as committee chair, Mrs Parkin has a wealth of experience in school safety and risk.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee/Key Management	Meetings attended	Out of a possible
D E Liddle, Chair (Resigned January 2020)	1	3
C Zanelli, CEO	3	3
D Medcalf	1	3
W Parkin, Chair (Appointed 2020)	2	3
M Brown, Trust Chair-in attendance (Appointed June 2020)	1	3

School Improvement and Leadership Group (SILG) is a sub-committee of the main Board of Trustees. It's purpose is to carry out duties delegated by the main board in matters linked to curriculum and pupil progress. This committee has met as a group once this year, COVID restrictions reduced the number of meetings, the work of this committee was included within the main board meetings.

School Improvement Leadership Group (only one meeting held due to COVID, committee business included in Trust Board Meetings).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Palmer	1	1
C Zanelli, CEO	1	1
C Matthewman, Ex-officio (HT – Airy Hill)	1	1
H Ward, Ex-officio (HT – Castleton, Glaisdale and Lealholm)	1	1
K Hird, Ex-officio (Associate HT)	1	1

Chairs Meeting

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Brown, Westcliff/Trust Board	2	2
A Hatchwell, Airy Hill	2	2
L Margetts, Castleton/Glaisdale/Lealholm	2	2
C Zanelli, CEO	2	2
S Markham, Company Secretary	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

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

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

- Continuing to review and refine the centralised systems and process for finance across the academy trust.
- Reviewed and rationalised the traded services, resulting in efficiency saving across the trust.
- Negotiated trust wide contracts to replace contracts linked to individual schools, where appropriate
- Reviewing school meals provision to establish VFM

Accounting Officer must use this section to describe briefly to parents and the community how they have improved their use of resources to deliver better value for money in their academy trust during the year.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finances, Resources, Audit and Risk (FRAR) committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income
- review of regularity
- review of IT
- review of fixed assets
- review of VAT and corporation tax
- review of accounting system and nominal ledger.

On a termly basis, the external auditors report to the Board of Trustees through the Finance, Resources, Audit and Risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. Three reports were completed during the year in line with the programme of work approved by the Board of Trustees.

The academy trust has sought tenders for the provision of internal audit services for the financial year 2020/21 to separate the role in line with revised FRC Ethical Standard (15 March 2020).

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 26 November 2020 and signed on their behalf by:



M Brown
Chairman



C Zanelli
Accounting Officer

YORKSHIRE ENDEAVOUR ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



C Zanelli
Accounting Officer
Date: 26 November 2020

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

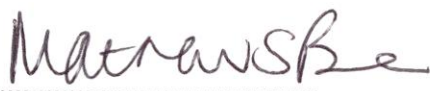
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
M Brown
Chairman

Date: 26 November 2020

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Yorkshire Endeavour Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington
Co Durham
DL3 7RT

26 November 2020

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yorkshire Endeavour Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Yorkshire Endeavour Academy Trust's funding agreement with the Secretary of State for Education dated 25 January 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

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

A handwritten signature in black ink that reads "Clive Owen" followed by a stylized initial "W".

Clive Owen LLP

Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 26 November 2020

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		1	-	28	29	61
Charitable activities:	4					
Funding for the academy trust's educational operations		68	3,328	-	3,396	3,050
Teaching schools	27	-	105	-	105	108
Other trading activities	5	116	-	-	116	131
Investments	6	1	-	-	1	-
		<u>186</u>	<u>3,433</u>	<u>28</u>	<u>3,647</u>	<u>3,350</u>
Total income						
Expenditure on:						
Charitable activities:	8					
Academy trust educational operations		203	3,145	169	3,517	3,294
Other charitable activities		-	-	-	-	2,260
Teaching schools		-	92	-	92	139
		<u>203</u>	<u>3,237</u>	<u>169</u>	<u>3,609</u>	<u>5,693</u>
Total expenditure						
Net movement in funds before other recognised gains/(losses)						
		<u>(17)</u>	<u>196</u>	<u>(141)</u>	<u>38</u>	<u>(2,343)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	200	-	200	(306)
Net movement in funds		<u>(17)</u>	<u>396</u>	<u>(141)</u>	<u>238</u>	<u>(2,649)</u>

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

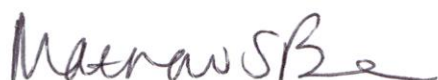
	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Note					
Reconciliation of funds:					
Total funds brought forward	225	(612)	4,329	3,942	6,591
Net movement in funds	(17)	396	(141)	238	(2,649)
Total funds carried forward	<u>208</u>	<u>(216)</u>	<u>4,188</u>	<u>4,180</u>	<u>3,942</u>

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 11024646

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	4,156	4,274
		4,156	4,274
Current assets			
Debtors	15	82	121
Cash at bank and in hand		1,053	801
		1,135	922
Creditors: amounts falling due within one year	16	(205)	(312)
		930	610
Net current assets		930	610
Total assets less current liabilities		5,086	4,884
Net assets excluding pension liability		5,086	4,884
Defined benefit pension scheme liability	24	(906)	(942)
Net assets including pension scheme liabilities		4,180	3,942
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	4,188	4,329
Restricted income funds	18	690	330
		4,878	4,659
Restricted funds excluding pension asset	18	4,878	4,659
Pension reserve	18	(906)	(942)
		3,972	3,717
Total restricted funds	18	3,972	3,717
Unrestricted income funds	18	208	225
		4,180	3,942
Total funds		4,180	3,942

The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue on 26 November 2020 and are signed on their behalf, by:



M Brown
Chairman

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	260	182
Cash flows from investing activities	21	(8)	36
Change in cash and cash equivalents in the year		252	218
Cash and cash equivalents at the beginning of the year		801	583
Cash and cash equivalents at the end of the year	22, 23	<u>1,053</u>	<u>801</u>

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

Capital grants are recognised when there is entitlement 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.

• **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and measurable.

• **Donations**

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Leasehold property	- Straight line over 50 years
ICT equipment	- Straight line over 3 years

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 incorporating Income and Expenditure Account.

1.7 Liabilities and Provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

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

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

YORKSHIRE ENDEAVOUR ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £152,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from North Yorkshire County Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	1	2	3	3
Capital Grants	-	26	26	58
Total 2020	<u>1</u>	<u>28</u>	<u>29</u>	<u>61</u>
Total 2019	<u>3</u>	<u>58</u>	<u>61</u>	

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4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,139	2,139	2,114
Pupil Premium	-	130	130	124
PE Teacher Grant	-	84	84	84
UFSM	-	74	74	79
Rates	-	8	8	3
Teachers' pay grant	-	34	34	22
Other DfE Group grants	-	521	521	281
	-	2,990	2,990	2,707
Other government grants				
SEN	-	73	73	46
Early Years Funding	-	226	226	167
Local Authority grants	-	26	26	13
Other Government grants	-	13	13	17
	-	338	338	243
Other funding				
Student trips	20	-	20	27
Student catering	48	-	48	73
Total 2020	68	3,328	3,396	3,050
Total 2019	100	2,950	3,050	

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5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	2	2	-
Rental and letting income	7	7	17
Receipts from Supply teacher insurance claims	39	39	35
RPA claims	20	20	-
Other income	48	48	79
Total 2020	<u>116</u>	<u>116</u>	<u>131</u>
Total 2019	<u>131</u>	<u>131</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income	<u>1</u>	<u>1</u>	<u>-</u>

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy's educational operations:					
Direct costs	2,148	-	323	2,471	2,291
Allocated support costs	257	394	395	1,046	3,263
Teaching school	62	-	30	92	139
Total 2020	<u>2,467</u>	<u>394</u>	<u>748</u>	<u>3,609</u>	<u>5,693</u>
Total 2019	<u>2,293</u>	<u>386</u>	<u>3,014</u>	<u>5,693</u>	

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7. Expenditure (continued)

In 2020, of the total expenditure, £203,000 (2019 - £139,000) was to unrestricted funds, £3,237,000 (2019 - £5,554,000) was to restricted funds and £169,000 restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the period.

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	2,471	1,046	3,517	5,554
Total 2019	2,291	3,263	5,554	

Analysis of direct costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	2,148	2,148	1,994
Educational supplies	194	194	228
Staff development	18	18	23
Technology costs	12	12	11
Educational consultancy	51	51	7
Staff expenses	7	7	4
Supply insurance	41	41	24
	2,471	2,471	2,291
Total 2019	2,291	2,291	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

Analysis of support costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Pension finance costs	16	16	12
Staff costs	257	257	234
Depreciation	152	152	2,402
Technology costs	33	33	27
Transport	-	-	2
Maintenance of premises	47	47	96
Cleaning	135	135	105
Other premises costs	27	27	26
Energy	46	46	46
Rent and rates	10	10	5
Insurance	10	10	11
Catering	136	136	183
Other costs	158	158	77
Governance costs	19	19	37
	<u>1,046</u>	<u>1,046</u>	<u>3,263</u>
Total 2019	<u>3,263</u>	<u>3,263</u>	

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £000	2019 £000
Operating lease rentals	19	14
Depreciation of tangible fixed assets	152	142
Impairment of tangible assets	-	2,260
Fees paid to auditors for:		
- audit	10	10
- other services	6	6
	<u>187</u>	<u>2,432</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	1,792	1,700
Social security costs	148	146
Pension costs	527	423
	<u>2,467</u>	<u>2,269</u>
Staff restructuring costs	-	24
	<u>2,467</u>	<u>2,293</u>

Included in pension costs is a debit of £148,000 (2019: £139,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	24
	<u>-</u>	<u>24</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	34	34
Administration & Support	65	62
Management	4	4
	<u>103</u>	<u>100</u>

c. Higher paid staff

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

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10. Staff (continued)

c. Higher paid staff (continued)

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
	1	2

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £356,000 (2019 : £299,000).

11. Central services

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

- Financial services
- Legal & Professional services
- CEO costs
- Others as arising

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

Flat 4% of GAG income from each school within the trust from 1 January 2019. A set £4,200 is charged to the Teaching School.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
West Cliff Primary School	29	13
Airy Hill Community Primary School	28	15
Lealholm Primary School	8	4
Glaisdale Primary School	18	7
Castleton Community Primary School	10	5
	93	44
Total		

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12. Trustees' remuneration and expenses

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

		2020 £000	2019 £000
E J Douglass, CEO and Accounting Officer (resigned 2 December 2018)	Remuneration	-	5 - 10
C Zanelli, CEO and Accounting Officer (appointed 3 December 2018)	Remuneration	70 - 75	65 - 70
	Pension contributions paid	15 - 20	10 - 15

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £768).

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Leasehold property £000	ICT equipment £000	Total £000
Cost or valuation			
At 1 September 2019	6,716	38	6,754
Additions	-	34	34
At 31 August 2020	<u>6,716</u>	<u>72</u>	<u>6,788</u>
Depreciation			
At 1 September 2019	2,471	9	2,480
Charge for the year	134	18	152
At 31 August 2020	<u>2,605</u>	<u>27</u>	<u>2,632</u>
Net book value			
At 31 August 2020	<u><u>4,111</u></u>	<u><u>45</u></u>	<u><u>4,156</u></u>
At 31 August 2019	<u><u>4,245</u></u>	<u><u>29</u></u>	<u><u>4,274</u></u>

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15. Debtors

	2020	2019
	£000	£000
Prepayments and accrued income	61	48
VAT recoverable	21	73
	82	121
	82	121

16. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	37	95
Other taxation and social security	33	34
Other creditors	43	36
Accruals and deferred income	92	147
	205	312
	205	312

17. Accruals and deferred income

	2020	2019
	£000	£000
Deferred income at 1 September 2019	56	54
Resources deferred during the year	45	56
Amounts released from previous periods	(56)	(54)
	45	56
Deferred income at 31 August 2020	45	56

At the Balance Sheet date the academy trust was holding funds of £45,000, relating to UIFSM received in advance for the Autumn term 2020, trip income for trips that have not happened during the year and being postponed to next year and ESFA Rates Relief monies received.

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18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General funds	225	186	(203)	-	208
Restricted general funds					
General Annual Grant (GAG)	66	2,139	(1,974)	-	231
Pupil Premium	-	130	(130)	-	-
Other DfE/ESFA grants	120	721	(540)	-	301
Other Government grants	-	265	(265)	-	-
SEN	-	73	(73)	-	-
Teaching school	144	105	(91)	-	158
Pension reserve	(942)	-	(164)	200	(906)
	(612)	3,433	(3,237)	200	(216)
Restricted fixed asset funds					
Legacy assets	4,245	-	(134)	-	4,111
DfE/ESFA Capital grants	81	26	(33)	-	74
Capital expenditure from GAG	2	-	(1)	-	1
Donations	1	2	(1)	-	2
	4,329	28	(169)	-	4,188
Total Restricted funds	3,717	3,461	(3,406)	200	3,972
Total funds	3,942	3,647	(3,609)	200	4,180

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the academy trust sees fit to support deprived students.

Other DfE/ESFA relate to Universal Infant Free School Meals grant to provide free school meals for infants, rates relief, and PE grant to make additional and sustainable improvements to the quality of physical education.

Other Government grants and SEN are received from North Yorkshire County Council to cover Special Education Needs and Early Years provisions.

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18. Statement of funds (continued)

Teaching School funding relates to the provision of a teaching school to support high performing schools in becoming teaching schools.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
West Cliff Primary School	100	54
Airy Hill Community Primary School	126	64
Lealholm Primary School	83	79
Glaisdale Primary School	210	185
Castleton Community Primary School	62	42
Yorkshire Endeavour Academy Trust	317	131
	898	555
Total before fixed asset funds and pension reserve	898	555
Restricted fixed asset fund	4,188	4,329
Pension reserve	(906)	(942)
	4,180	3,942
Total		

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
West Cliff Primary School	786	75	40	201	1,102	1,021
Airy Hill Community Primary School	728	60	42	222	1,052	1,034
Lealholm Primary School	199	18	12	69	298	255
Glaisdale Primary School	216	84	11	115	426	453
Castleton Community Primary School	219	22	11	85	337	315
Yorkshire Endeavour Academy Trust	-	60	78	104	242	213
Academy trust	<u>2,148</u>	<u>319</u>	<u>194</u>	<u>796</u>	<u>3,457</u>	<u>3,291</u>

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

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

	Balance at 20 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General funds	130	234	(139)	-	225
Restricted general funds					
General Annual Grant (GAG)	-	2,114	(2,048)	-	66
Pupil Premium	-	124	(124)	-	-
Other DfE/ESFA grants	54	469	(403)	-	120
Other grants	2	17	(19)	-	-
Other Government grants	19	180	(199)	-	-
SEN	-	46	(46)	-	-
Teaching school	175	108	(139)	-	144
Pension reserve	(485)	-	(151)	(306)	(942)
	(235)	3,058	(3,129)	(306)	(612)
Restricted fixed asset funds					
Legacy assets	6,638	-	(2,393)	-	4,245
DfE/ESFA Capital grants	53	58	(30)	-	81
Capital expenditure from GAG	3	-	(1)	-	2
Donations	2	-	(1)	-	1
	6,696	58	(2,425)	-	4,329
Total Restricted funds	6,461	3,116	(5,554)	(306)	3,717
Total funds	6,591	3,350	(5,693)	(306)	3,942

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	4,156	4,156
Current assets	209	894	32	1,135
Creditors due within one year	(1)	(204)	-	(205)
Provisions for liabilities and charges	-	(906)	-	(906)
Total	<u>208</u>	<u>(216)</u>	<u>4,188</u>	<u>4,180</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	4,274	4,274
Current assets	230	637	55	922
Creditors due within one year	(5)	(307)	-	(312)
Provisions for liabilities and charges	-	(942)	-	(942)
Total	<u>225</u>	<u>(612)</u>	<u>4,329</u>	<u>3,942</u>

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

	2020 £000	2019 £000
Net income/(expenditure) for the period (as per Statement of Financial Activities)	38	(2,343)
Adjustments for:		
Impairment	-	2,260
Depreciation	152	142
Capital grants from DfE and other capital income	(26)	(58)
Defined benefit pension scheme cost less contributions payable	148	139
Defined benefit pension scheme finance cost	16	12
Decrease/(increase) in debtors	39	(56)
(Decrease)/increase in creditors	(107)	86
Net cash provided by operating activities	260	182

21. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(34)	(22)
Capital grants from DfE Group	26	58
Net cash (used in)/provided by investing activities	(8)	36

22. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	1,053	801
Total cash and cash equivalents	1,053	801

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	801	252	1,053
	<u>801</u>	<u>252</u>	<u>1,053</u>

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24. Pension commitments

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

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

Contributions amounting to £43,000 were payable to the schemes at 31 August 2020 (2019 - £13,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £257,000 (2019 - £174,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £166,000 (2019 - £150,000), of which employer's contributions totalled £128,000 (2019 - £116,000) and employees' contributions totalled £ 38,000 (2019 - £34,000). The agreed contribution rates for future years are 5.5%-6.8% for employers and 19.1% 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

	2020 %	2019 %
Rate of increase in salaries	3.45	3.25
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.00
Commutation of pensions to lump sums	75.00	75.00

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	21.9
Females	23.9	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	25.7	26.9

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	2,474	2,113
Discount rate -0.1%	2,616	2,218
Mortality assumption - 1 year increase	2,453	2,094
Mortality assumption - 1 year decrease	2,637	2,237
CPI rate +0.1%	2,604	2,197
CPI rate -0.1%	2,486	2,134

Share of scheme assets

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

	2020 £000	2019 £000
Equities	970	709
Property	108	93
Cash and other liquid assets	59	56
Other	174	128
Government bonds	328	237
Total market value of assets	1,639	1,223

The actual return on scheme assets was £276,000 (2019 - £62,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Current service cost	(276)	(191)
Past service cost	(10)	(64)
Interest income	25	30
Interest cost	(41)	(42)
Total amount recognised in the Statement of Financial Activities	(302)	(267)

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24. Pension commitments (continued)

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

	2020 £000	2019 £000
Opening defined benefit obligation	2,165	1,488
Current service cost	276	191
Interest cost	41	42
Employee contributions	38	34
Actuarial losses	51	338
Benefits paid	(36)	8
Past service costs	10	64
	2,545	2,165
Closing defined benefit obligation	2,545	2,165

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

	2020 £000	2019 £000
At 1 September	1,223	1,003
Interest income	25	30
Actuarial gains	251	32
Employer contributions	138	116
Employee contributions	38	34
Benefits paid	(36)	8
	1,639	1,223
At 31 August	1,639	1,223

25. Operating lease commitments

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

	2020 £000	2019 £000
Amounts payable		
Within 1 year	19	13
Between 1 and 5 years	64	39
	83	52
	83	52

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26. Related party transactions

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

Expenditure Related Party Transactions

Settrington All Saints Primary School - a school in which M Palmer (a trustee) is headteacher:

- The academy trust purchased services from Settrington All Saints Primary School totalling £2,350 (2019: £7,760) during the period.
- The academy trust made the purchaser at arms' length in accordance with its financial regulations, which M Palmer neither participated in, nor influenced.
- The 2019 Academies Financial Handbook (AFH) states that all of these transactions should have been notified to the ESFA prior to these occurring. This did not happen. The Trust has now put in place new systems and procedures to ensure that related party transactions are identified before they occur to ensure the ESFA are notified of them in accordance with the AFH.

Caedmon College Whitby - a school in which S Riley (a trustee) is headteacher:

- The academy trust purchased services from Caedmon College Whitby totalling £10,756 (2019: £nil) during the period.
- The academy trust made the purchaser at arms' length in accordance with its financial regulations, which S Riley neither participated in, nor influenced.
- The 2019 Academies Financial Handbook (AFH) states that all of these transactions should have been notified to the ESFA prior to these occurring. This did not happen. The Trust has now put in place new systems and procedures to ensure that related party transactions are identified before they occur to ensure the ESFA are notified of them in accordance with the AFH.

R Scholey, spouse of P Scholey, a Trust member, is employed by the academy trust as a supply teacher. R Scholey was employed as a supply teacher prior to the conversion to an academy trust. R Scholey is paid within the normal teacher pay scale and receives no special treatment as a result of her relationship to a Trust member.

H Medcalf, spouse of D Medcalf, a Trustee (resigned 21 October 2020), is employed by the academy trust as a teaching assistant and sport coach. H Medcalf was employed prior to the conversion to an academy trust. H Medcalf is paid within the normal teacher pay scale and receives no special treatment as a result of her relationship to a Trustee.

R Grace, daughter of D Davidson, a Trust Member (resigned 10 January 2020), is employed by the academy trust as a teacher at Castleton Primary School. R Grace was employed as a teacher prior to the conversion to an academy trust. R Grace is paid within the normal teacher pay scale and receives no special treatment as a result of her relationship to a Trust member.

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27. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income				
DfE/ESFA Grants	40		40	
Other Government grants	30		34	
Total direct income	<u>70</u>		<u>74</u>	
Other income				
Other Grants	-		20	
Teacher training income	35		14	
Total other income	<u>35</u>		<u>34</u>	
Total income		105		108
Expenditure				
Direct expenditure				
Other direct costs	28		43	
Other expenditure				
Other staff costs	62		65	
Other support costs	11		31	
Total other expenditure	<u>73</u>		<u>96</u>	
Total expenditure		101		139
Surplus/(deficit) from all sources		<u>4</u>		<u>(31)</u>
Teaching school balances at 1 September 2019		144		175
Teaching school balances at 31 August 2020		<u><u>148</u></u>		<u><u>144</u></u>