

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 2019**

**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**

D Davidson (appointed 11 December 2018)  
P Scholey  
M Stones

**Trustees**

A Parker, Chair  
E J Douglass, CEO and Accounting Officer (resigned 2 December 2018)  
D Hall (appointed 27 September 2019)  
D Leggatt (resigned 12 December 2018)  
D E Liddle<sup>1</sup>  
A W A Maisey (resigned 24 November 2019)<sup>1</sup>  
D Medcalf  
M Palmer (appointed 11 December 2018)  
W Parkin (appointed 11 December 2018)<sup>1</sup>  
C Zanelli, CEO and Accounting Officer (appointed 11 December 2018)<sup>1</sup>

<sup>1</sup> Finance, Resources, Audit and Risk Group

**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**

E J Douglass, CEO and Headteacher (resigned 3 December 2018)  
C Zanelli, CEO, Accounting Officer and Headteacher (appointed 11 December 2018)  
N Brown, Chief Financial Officer  
H Ward, Headteacher  
C Mathewman, Headteacher  
D Liddle, Trustee of Finance and administration  
S Markham, Governance and Compliance and Company Secretary

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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



**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Our first full year as a multi academy trust has at times been challenging, but none the less exciting, and presents a huge opportunity to provide a rich and full curriculum, and also to support all our children to become life-long learners.

This year we have focused on ensuring our governance structure is robust and effective at all levels. Our academy trust values each individual school's governing board. We firmly believe the local governing board should provide the drive to improve outcomes for children in each school.

This requires strong lines of communication between Trustees, those involved in governance and our staff. As a result, a key priority during this year has been establishing our central systems and ensuring that communication is effective across our academy trust. Our accountability framework is in place and forms a firm foundation for supporting growth of our academy trust over the next few years.

Finally, I would like to thank our children, staff and all those involved in governance for your continued support and commitment to Yorkshire Endeavour Academy Trust



A Parker  
Chairman  
Date: 26 November 2019

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

**CEO Review**

Our academy trust is built on shared core values and a real drive to provide an outstanding education for all.

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 reputable 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. This year we have continued to work with other schools, both within and outside of our teaching alliance, and we have collaborated with our local research school, other local MATS and teaching alliances and the Local Authority. We are very proud to have become a designated English Hub - the Yorkshire Endeavour English Hub came into existence in January 2019 and has successfully supported over 65 schools already.

Our central team and their capacity have grown and we are now in a strong position to grow by either a sponsored academy or a converter.

I would like to thank all of our staff, governors, trustees, members, parents and children for their continued hard work and support this year. This has culminated with excellent outcomes for the trust which we are rightly proud of. Our academy trust continues to go from strength to strength and we look forward to an exciting year ahead.



C Zanelli  
CEO and Accounting Officer  
26 November 2019

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management**

The academy trust operates 5 primary academy trust schools in the North East of England for pupils aged 2-11.

Academy School	Phase	Number on Roll (May 2019 census)	Ofsted Grade (pre conversion)
Airy Hill	Primary (2-11)	179 plus nursery	Good (April 2016)
Castleton	Primary (4-11)	45	Outstanding (June 2013)
Glaisdale	Primary (4-11)	41	Outstanding (July 2013)
Lealholm	Primary (4-11)	28	Good (July 2013)
West Cliff	Primary (2-11)	177 plus nursery	Good (November 2013)

**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 year, 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 12.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**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 Headteacher or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

**Policies 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 school 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 Trustees a year, induction tends to be done informally and are tailored specifically to the individual.

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**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 Website [www.yeat.co.uk](http://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 Boards 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 governors, leaders and Trustees.

Regular meetings and communications take place between the CEO, Trustees and Individual Academy Schools for those involved Leadership and Governance, this provides an opportunity for discussion and training for school leaders, governors and Trustees.

**Arrangements for setting pay and remuneration of key management personnel**

The Trustees agree pay and remuneration for key management personnel within the academy trust, 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 trusts pay policy has been developed following advice and support from HR specialists and NYES.

Full procedure is set out in the academy trust's pay policy documentation that is reviewed annually by Trustees.

**Trade union facility time**

Yorkshire Endeavour Academy Trust does not employ union officials directly but does buy into the Professional Association Facilities Arrangements through North Yorkshire County Council at a cost of £1,773 per year.

This represents less than 0.08% of our annual staffing costs.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**Related parties and other connected charities and organisations**

Glaisdale 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 school is the lead school for the 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, an academy 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, is employed by the academy trust as a supply teacher. H Medcalf was employed as a supply teacher 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 academy trust member, 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 academy trust member.

Further details are stated in note 24 to the Financial Statements.

**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 academy trust, 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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**Objectives, strategies and activities**

The key objectives for the first 19 months of the academy trust (up to year ended 31 August 2019) are as summarised below:

- A smooth conversion process for the schools - minimising any adverse effect as a result of the conversion process
- Develop central systems that are effective and robust
- Establish a clear framework for accountability and Governance within the trust
- Develop strong collaborative approaches and systems to support school improvement and growth of the academy trust

Yorkshire Endeavour Academy Trust has and continues to conduct considerable research into best practice within multi academy trusts, taking advice from several established academy trusts of similar size and demograph, as well as external consultants and professionals. This research ensured that informed decisions were made supporting the smooth transition from maintained schools, to multi academy schools.

Prior to conversion much consideration was given to anticipated staffing levels and key competencies for central staff, the academy trust has developed central systems to enable clear and consistent protocols are in place.

The framework for accountability and governance was developed with reference to successful models in similar trusts.

The 5 academy schools within the academy trust have a history of collaborative working, firstly through the Esk Valley cluster and then formally through the Esk Valley Teaching Schools Alliance. The move to a multi academy trust has further strengthened this collaborative approach to school improvement

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 2019**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

The performance of our schools at the end of KS2 continues to strengthen academic achievement. The continued hard work across the academy trust and the continued support from our family's has culminated with excellent outcomes for the academy trust which we are rightly proud of.

**Key Performance Indicators**

	% Pupils Achieving Expected Standard				
	Reading, Writing and Maths	Reading	Writing	Maths	Grammar, punctuation and Spelling
Airy Hill	70	74	81	85	85
Castleton	80	80	80	100	80
Glaisdale	71	86	86	86	86
Lealholm	40	60	60	60	60
West Cliff	65	65	85	90	90

Academy School	Phase	Ofsted Grade (pre conversion)
Airy Hill	Primary (2-11)	Good (April 2016)
Castleton	Primary (4-11)	Outstanding (June 2013)
Glaisdale	Primary (4-11)	Outstanding (July 2013)
Lealholm	Primary (4-11)	Good (July 2013)
West Cliff	Primary (2-11)	Good (November 2013)

**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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

**Reserves policy**

The Trustees will review the level of reserves annually. The review encompasses the nature of income and expenditure streams, the need to match income and commitments and the nature of the reserves.

The Trustees take into consideration the future plans of the academy trust, the uncertainty of uncertain 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 cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy trust's current level of free reserves are in surplus by £225,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust.

**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.

This policy maximises investment return whilst minimising risks to the principal sum.

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Financial review (continued)**

**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 schools face, 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 uncertainty around the impact of Brexit continue to add to the financial challenge. Additionally, pressure within North Yorkshire and nationally on high needs funding has meant that the costs of supporting pupils with additional needs is significantly higher than the funding received. This underfunding is set to continue, resulting in overall pressure on all school budgets.

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

The 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.

**Review of the year**

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 2019 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 2019, total expenditure of £5,693,000 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 £24,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2019 net book value of fixed assets was £4,274,000 and movements in tangible fixed assets are shown in note 13 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 £942,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2019 of £3,942,000 comprising £330,000 of restricted general funds, £4,329,000 of restricted fixed asset funds, a pension deficit of £942,000 and £225,000 of unrestricted funds.



**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Fundraising**

Fundraising is predominantly small scale at 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 bake sales. The schools also participate in national events, such as Children in Need, sport relief etc.

**Plans for future periods**

Our plans for the future include focus upon 3 elements of our strategy which are:

- Improving outcomes for pupils
- YEAT growth
- Financial and Commercial effectiveness

To improve pupil outcomes key priorities have been agreed both at school and academy trust level and is being developed through the YEAT development plan.

YEAT growth in the coming year involves continuing raising the profile of the academy trust, within our community and all stakeholders.

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

**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 2019 and signed on its behalf by:



A Parker  
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.

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 3 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, Chair	3	3
E J Douglass, CEO and Accounting Officer (Resigned 31 December 2018)	0	1
D Leggatt (resigned 12 December 2018)	0	1
D E Liddle	2	3
A W A Maisey	3	3
D Medcalf	0	3
M Palmer	2	3
W Parkin	1	3
C Zanelli, CEO and Accounting Officer	3	3

Following on from the formal Financial Management and Governance Self Assessment questionnaire in the summer term of 2018, all actions have been completed, the academy trust continues to monitor governance and compliance and has appointed a Governance and Compliance officer to support the process. The academy trust plans to conduct a further review of governance in 2020 with the support of a National Leader of Governance.

The Finances, Resources, Audit and Risk (FRAR) committee is a sub-committee of the main board, It's purpose is to carry out duties delegated by the main board in matters linked to finance and risk. The committee was formed in February 2018, and is scheduled to meet 3 times per year.

Attendance during the year at meetings was as follows:

Trustee/Key Management	Meetings attended	Out of a possible
D E Liddle, Chair	2	3
N Brown, CFO	3	3
A Maisey	2	3
W Parkin	1	2
C Zanelli, CEO and Accounting Officer	3	3



**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

- Continuing to review and refine the centralised systems and process for finance across the academy trust
- Renegotiated the print and reprographics contract and broadband contract across all academy trust schools
- Continue to review systematically a selection of services provided across the academy trust and rationalize where appropriate.

**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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the 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
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided 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 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.

**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 external auditors;
- 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 committee and a plan to ensure continuous improvement of the system is in place.



YORKSHIRE ENDEAVOUR ACADEMY TRUST  
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 26 November 2019 and signed on their behalf by:



A Parker  
Chairman



C Zanelli  
Accounting Officer

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**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 2018.

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 2018.

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 2019

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 DfE/ESFA have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 26 November 2019 and signed on its behalf by:



A Parker  
Chairman



**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 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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



**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](http://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.



Chris Beaumont BA(Hons) 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 2019



**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**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Clive Owen WP*

**Clive Owen LLP**

Reporting Accountant  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 26 November 2019

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>					
Donations and capital grants:					
3      Transfer from local authority on conversion	-	-	-	-	6,548
Other donations and capital grants	3	-	58	61	26
Charitable activities:					
Funding for the academy trust's educational operations	100	2,950	-	3,050	1,685
Teaching schools	-	108	-	108	73
Other trading activities	131	-	-	131	57
<b>Total income</b>	<b>234</b>	<b>3,058</b>	<b>58</b>	<b>3,350</b>	<b>8,389</b>
<b>Expenditure on:</b>					
Charitable activities:					
Academy trust educational operations	139	2,990	165	3,294	1,841
Other charitable activities	-	-	2,260	2,260	-
Teaching schools	-	139	-	139	112
Other expenditure	-	-	-	-	-
<b>Total expenditure</b>	<b>139</b>	<b>3,129</b>	<b>2,425</b>	<b>5,693</b>	<b>1,953</b>
<b>Net movement in funds before other recognised gains/(losses)</b>	<b>95</b>	<b>(71)</b>	<b>(2,367)</b>	<b>(2,343)</b>	<b>6,436</b>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	-	(306)	-	(306)	155
<b>Net movement in funds</b>	<b>95</b>	<b>(377)</b>	<b>(2,367)</b>	<b>(2,649)</b>	<b>6,591</b>



**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 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	130	(235)	6,696	6,591	-
Net movement in funds	95	(377)	(2,367)	(2,649)	6,591
<b>Total funds carried forward</b>	<u>225</u>	<u>(612)</u>	<u>4,329</u>	<u>3,942</u>	<u>6,591</u>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	13	4,274	6,654
		4,274	6,654
<b>Current assets</b>			
Debtors	14	121	65
Cash at bank and in hand		801	583
		922	648
Creditors: amounts falling due within one year	15	(312)	(226)
		4,884	7,076
<b>Net current assets</b>			
		4,884	7,076
<b>Total assets less current liabilities</b>			
Defined benefit pension scheme liability	22	(942)	(485)
<b>Net assets including pension scheme liabilities</b>			
		3,942	6,591
 <b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	4,329	6,696
Restricted income funds	17	330	250
		4,659	6,946
Restricted funds excluding pension asset	17	4,659	6,946
Pension reserve	17	(942)	(485)
		3,717	6,461
<b>Total restricted funds</b>			
Unrestricted income funds	17	225	130
		3,942	6,591
<b>Total funds</b>			
		3,942	6,591

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on 26 November 2019 and are signed on their behalf, by:



A Parker  
Chairman



**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	182	161
<b>Cash flows from investing activities</b>	20	36	422
<b>Change in cash and cash equivalents in the year</b>		218	583
Cash and cash equivalents at the beginning of the year		583	-
<b>Cash and cash equivalents at the end of the year</b>	21	<u>801</u>	<u>583</u>

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

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

**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 2019**

**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 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:

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.

**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.6 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.

**1.7 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 14. Prepayments are not financial instruments.

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

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

**1.8 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.



**YORKSHIRE ENDEAVOUR ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.9 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.

**1.10 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 2019**

**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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

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 £142,000.

Impairment - 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. An impairment charge has been included during the year following an ESFA valuation of the academy trust land and buildings. The value of impairment charge during the year was £2,260,000.

Critical areas of judgement:

LGPS Pension - There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

**McCloud**

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £64,000 as at 31 August 2019.

**GMP**

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £6,000 which has been assessed to be immaterial to the financial statements.



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**2. Critical accounting estimates and areas of judgment (continued)**

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 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transfer from local authority on conversion	-	-	-	6,548
	-	-	-	6,548
Donations	3	-	3	1
Capital Grants	-	58	58	25
<b>Subtotal</b>	<b>3</b>	<b>58</b>	<b>61</b>	<b>26</b>
<b>Total 2019</b>	<b>3</b>	<b>58</b>	<b>61</b>	<b>6,574</b>
Total 2018	164	6,410	6,574	

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**4. Funding for the academy trust's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,114	2,114	1,217
Pupil Premium	-	124	124	49
PE Teacher Grant	-	84	84	35
UFSM	-	79	79	30
Rates	-	3	3	8
Other DfE Group grants	-	303	303	138
	<u>-</u>	<u>2,707</u>	<u>2,707</u>	<u>1,477</u>
<b>Other government grants</b>				
SEN	-	46	46	20
Early Years Funding	-	167	167	107
Local Authority grants	-	13	13	24
	<u>-</u>	<u>226</u>	<u>226</u>	<u>151</u>
<b>Other funding</b>				
Other grants	-	17	17	5
Student trips	27	-	27	16
Student catering	73	-	73	36
	<u>100</u>	<u>2,950</u>	<u>3,050</u>	<u>1,685</u>
<b>Total 2019</b>	<u><u>100</u></u>	<u><u>2,950</u></u>	<u><u>3,050</u></u>	<u><u>1,685</u></u>
Total 2018	<u>52</u>	<u>1,633</u>	<u>1,685</u>	

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	17	17	5
Receipts from Supply teacher Insurance claims	35	35	9
Other	79	79	43
	<u>131</u>	<u>131</u>	<u>57</u>
<b>Total 2019</b>	<u><u>131</u></u>	<u><u>131</u></u>	<u><u>57</u></u>



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**5. Income from other trading activities (continued)**

In 2018, of the total income from trading activities, £57,000 was to unrestricted funds and £Nil was to restricted funds.

**6. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	1,994	-	297	2,291	1,282
Allocated support costs	234	386	2,643	3,263	559
Teaching school	65	-	74	139	112
<b>Total 2019</b>	<u>2,293</u>	<u>386</u>	<u>3,014</u>	<u>5,693</u>	<u>1,953</u>
Total 2018	<u>1,308</u>	<u>230</u>	<u>415</u>	<u>1,953</u>	

In 2019, of the total expenditure, £139,000 (2018 - £141,000) was to unrestricted funds and £5,554,000 (2018 - £1,812,000) was to restricted 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.

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	<u>2,291</u>	<u>3,263</u>	<u>5,554</u>	<u>1,841</u>
Total 2018	<u>1,282</u>	<u>559</u>	<u>1,841</u>	

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**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	1,994	1,179
Educational supplies	228	61
Staff development	23	3
Technology costs	11	6
Educational consultancy	7	5
Staff expenses	4	2
Other costs	24	26
	<u>2,291</u>	<u>1,282</u>

**Analysis of support costs**

	Total funds 2019 £000	Total funds 2018 £000
Net interest on pension scheme	12	8
Staff costs	234	96
Depreciation and impairment	2,402	78
Technology costs	47	17
Transport	5	1
Maintenance of premises	73	22
Cleaning	105	67
Other premises costs	18	12
Energy	46	25
Rent & rates	5	8
RPA fees	11	6
Catering	183	98
Other costs	45	44
Governance costs	77	77
	<u>3,263</u>	<u>559</u>



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**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	14	2
Depreciation of tangible fixed assets	142	78
Impairment of tangible assets	2,260	-
Fees paid to auditors for:		
- audit	10	10
- other services	6	2
	14	92

**9. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	1,700	996
Social security costs	140	79
Pension costs	429	218
	2,269	1,293
Agency staff costs	-	1
Staff restructuring costs	24	14
	2,293	1,308

Included in pension costs is a debit of £139,000 (2018: £50,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	24	14
	24	14

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**9. Staff costs (continued)**

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	34	39
Administration & Support	62	65
Management	4	4
	100	108
	100	108

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
	2	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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £299,000 (2018 : £182,000) for the period.



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**10. 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 3% of GAG income from each school within the trust from 1 January 2019. A set £2,000 is charged to the Teaching School.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
West Cliff Primary School	13	3
Airy Hill Community Primary School	15	3
Lealholm Primary School	4	2
Glaisdale Primary School	7	1
Castleton Community Primary School	5	1
<b>Total</b>	44	10

**11. 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:

		2019 £000	2018 £000
E J Douglass, CEO and Accounting Officer (resigned 2 December 2018)	Remuneration	5 - 10	35 - 40
	Pension contributions paid	-	5 - 10
C Zanelli, CEO and Accounting Officer (appointed 3 December 2018)	Remuneration	65 - 70	-
	Pension contributions paid	10 - 15	-

During the year ended 31 August 2019, expenses totalling £768 were reimbursed or paid directly to 2 Trustees (2018 - £Nil).

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**12. 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.

**13. Tangible fixed assets**

	Leasehold property £000	ICT equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 September 2018	6,716	16	6,732
Additions	-	22	22
At 31 August 2019	6,716	38	6,754
<b>Depreciation</b>			
At 1 September 2018	78	-	78
Charge for the year	133	9	142
Impairment charge	2,260	-	2,260
At 31 August 2019	2,471	9	2,480
<b>Net book value</b>			
At 31 August 2019	4,245	29	4,274
At 31 August 2018	6,638	16	6,654

**14. Debtors**

	2019 £000	2018 £000
VAT repayable	73	33
Prepayments and accrued income	48	32
	121	65
	121	65



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**15. Creditors: Amounts falling due within one year**

	2019	2018
	£000	£000
Trade creditors	95	1
Other taxation and social security	34	36
Other creditors	36	35
Accruals and deferred income	147	154
	312	226
	312	226

**16. Accruals and deferred income**

	2019	2018
	£000	£000
Deferred income at 1 September 2018	54	-
Resources deferred during the year	56	54
Amounts released from previous periods	(54)	-
<b>Deferred income at 31 August 2019</b>	<b>56</b>	<b>54</b>
	<b>56</b>	<b>54</b>

Deferred income relates to Universal Infant Free School Meals income and Rates Relief income received in advance.

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**17. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>					
General funds	130	234	(139)	-	225
<b>Restricted general funds</b>					
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)
	<u>(235)</u>	<u>3,058</u>	<u>(3,129)</u>	<u>(306)</u>	<u>(612)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	6,638	-	(2,393)	-	4,245
DfE/ESFA Capital grants	53	58	(30)	-	81
Capital expenditure from GAG	3	-	(1)	-	2
Fundraising	2	-	(1)	-	1
	<u>6,696</u>	<u>58</u>	<u>(2,425)</u>	<u>-</u>	<u>4,329</u>
<b>Total Restricted funds</b>	<u>6,461</u>	<u>3,116</u>	<u>(5,554)</u>	<u>(306)</u>	<u>3,717</u>
<b>Total funds</b>	<u><u>6,591</u></u>	<u><u>3,350</u></u>	<u><u>(5,693)</u></u>	<u><u>(306)</u></u>	<u><u>3,942</u></u>

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.

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



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**17. Statement of funds (continued)**

Other DfE/ESFA Grants relate Universal Infant Free School Meals Grant to provide free school meals for infants, rates relief, PE Grant to make additional and sustainable improvements to the quality of physical education, Sponsor Capacity Grant for establishment and necessary school improvements, MAT Growth Funding to provide additional funding to trusts in order to improve schools and increase social mobility.

Teaching School Grant relates to funding for teaching schools who want to support high performing schools in becoming teaching schools.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

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 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
West Cliff Primary School	54	23
Airy Hill Community Primary School	64	15
Lealholm Primary School	79	56
Glaisdale Primary School	185	194
Castleton Community Primary School	42	19
Yorkshire Endeavour Academy Trust	131	73
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	555	380
Restricted fixed asset fund	4,329	6,696
Pension reserve	(942)	(485)
	<hr/>	<hr/>
<b>Total</b>	<b>3,942</b>	<b>6,591</b>
	<hr/> <hr/>	<hr/> <hr/>

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**17. 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 2019 £000	Total 2018 £000
West Cliff Primary School	714	61	43	203	1,021	531
Airy Hill Community Primary School	714	55	41	224	1,034	610
Lealholm Primary School	146	19	29	61	255	133
Glaisdale Primary School	209	89	14	141	453	308
Castleton Community Primary School	211	22	14	68	315	186
Yorkshire Endeavour Academy Trust	-	53	87	73	213	107
<b>Academy trust</b>	<u>1,994</u>	<u>299</u>	<u>228</u>	<u>770</u>	<u>3,291</u>	<u>1,875</u>



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**17. Statement of funds (continued)**

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

	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>					
General funds	273	(141)	(2)	-	130
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,217	(1,223)	6	-	-
Pupil Premium	49	(49)	-	-	-
Other DfE/ESFA grants	211	(157)	-	-	54
Other grants	5	(3)	-	-	2
Other Government grants	131	(112)	-	-	19
SEN	20	(20)	-	-	-
Teaching school	296	(112)	(9)	-	175
Pension reserve	(582)	(58)	-	155	(485)
	<u>1,347</u>	<u>(1,734)</u>	<u>(3)</u>	<u>155</u>	<u>(235)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	6,744	(78)	(28)	-	6,638
DfE/ESFA Capital grants	25	-	28	-	53
Capital expenditure from GAG	-	-	3	-	3
Fundraising	-	-	2	-	2
	<u>6,769</u>	<u>(78)</u>	<u>5</u>	<u>-</u>	<u>6,696</u>
<b>Total Restricted funds</b>	<u>8,116</u>	<u>(1,812)</u>	<u>2</u>	<u>155</u>	<u>6,461</u>
<b>Total funds</b>	<u><u>8,389</u></u>	<u><u>(1,953)</u></u>	<u><u>-</u></u>	<u><u>155</u></u>	<u><u>6,591</u></u>

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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	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)
<b>Total</b>	<u>225</u>	<u>(612)</u>	<u>4,329</u>	<u>3,942</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	6,654	6,654
Current assets	130	476	42	648
Creditors due within one year	-	(226)	-	(226)
Provisions for liabilities and charges	-	(485)	-	(485)
<b>Total</b>	<u>130</u>	<u>(235)</u>	<u>6,696</u>	<u>6,591</u>

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

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,343)	6,436
<b>Adjustments for:</b>		
Impairment	2,260	-
Depreciation	142	78
Capital grants from DfE and other capital income	(58)	(25)
Defined benefit pension scheme obligation inherited	-	582
Defined benefit pension scheme cost less contributions payable	139	50
Defined benefit pension scheme finance cost	12	8
Increase in debtors	(56)	(65)
Increase in creditors	86	226
Assets from local authority on conversion	-	(6,716)
Cash inherited on conversion	-	(413)
<b>Net cash provided by operating activities</b>	<b>182</b>	<b>161</b>

**20. Cash flows from investing activities**

	2019 £000	2018 £000
Purchase of tangible fixed assets	(22)	(16)
Capital grants from DfE Group	58	25
Cash inherited on conversion	-	413
<b>Net cash provided by investing activities</b>	<b>36</b>	<b>422</b>

**21. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	801	583
<b>Total cash and cash equivalents</b>	<b>801</b>	<b>583</b>



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**22. Pension commitments**

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

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

Contributions amounting to £13,000 were payable to the schemes at 31 August 2019 (2018 - £35,000) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

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**22. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £174,000 (2018 - £105,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £150,000 (2018 - £82,000), of which employer's contributions totalled £116,000 (2018 - £63,000) and employees' contributions totalled £ 34,000 (2018 - £19,000). 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**

	2019	2018
	%	%
Rate of increase in salaries	3.25	3.25
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	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:

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7



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**22. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	2,113	1,452
Discount rate -0.1%	2,218	1,525
Mortality assumption - 1 year increase	2,094	1,446
Mortality assumption - 1 year decrease	2,237	1,530
CPI rate +0.1%	2,197	1,510
CPI rate -0.1%	2,134	1,467

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	709	609
Property	93	79
Cash and other liquid assets	56	3
Other	128	149
Government bonds	237	163
<b>Total market value of assets</b>	<b>1,223</b>	<b>1,003</b>

The actual return on scheme assets was £62,000 (2018 - £52,000).

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

	2019 £000	2018 £000
Current service cost	(191)	(113)
Past service cost	(64)	-
Interest income	30	14
Interest cost	(42)	(22)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(267)</b>	<b>(121)</b>



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**22. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>Opening defined benefit obligation</b>	1,488	-
Conversion of academy trusts	-	1,453
Current service cost	191	113
Interest cost	42	22
Employee contributions	34	19
Actuarial losses/(gains)	338	(117)
Benefits paid	8	(2)
Past service costs	64	-
<b>Closing defined benefit obligation</b>	<u>2,165</u>	<u>1,488</u>

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

	2019 £000	2018 £000
<b>At 1 September</b>	1,003	-
Conversion of academy trusts	-	871
Interest income	30	14
Actuarial gains	32	38
Employer contributions	116	63
Employee contributions	34	19
Benefits paid	8	(2)
<b>At 31 August</b>	<u>1,223</u>	<u>1,003</u>

**23. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
<b>Amounts payable</b>		
Within 1 year	13	2
Between 1 and 5 years	39	1
	<u>52</u>	<u>3</u>

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**24. 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 AFH, 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. The following related party transactions took place in the financial period.

**Expenditure Related Party Transactions**

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

- The academy trust purchased services from Settrington Primary School totalling £7,760 (2018: £Nil) 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.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.
- Settrington Primary School is a not for profit organisation therefore the element above £2,500 has been provided 'at no more than cost'.

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, 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, 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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**25. Teaching school trading account**

	2019 £000	2019 £000	2018 £000	2018 £000
<b>Income</b>				
<b>Direct income</b>				
Transfer from local authority on conversion	-		223	
DfE/ESFA Grants	40		31	
Other Government grants	34		-	
	<u>74</u>		<u>254</u>	
<b>Total direct income</b>				
<b>Other income</b>				
Other Grants	20		25	
Teacher training income	14		17	
	<u>34</u>		<u>42</u>	
<b>Total other income</b>				
<b>Total income</b>		108		296
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Other direct costs	43		14	
<b>Other expenditure</b>				
Other staff costs	65		33	
Other support costs	31		65	
	<u>96</u>		<u>98</u>	
<b>Total other expenditure</b>				
<b>Total expenditure</b>		139		112
<b>Transfers between funds excluding depreciation</b>		-		(9)
		<u>(31)</u>		<u>175</u>
<b>(Deficit)/surplus from all sources</b>				175
<b>Teaching school balances at 1 September 2018</b>		175		-
		<u>144</u>		<u>175</u>
<b>Teaching school balances at 31 August 2019</b>		<u><u>144</u></u>		<u><u>175</u></u>