Company Registration Number: 02236171 (England and Wales)

ENDEAVOUR ACADEMIES

ENDEAVOUR ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ENDEAVOUR ACADEMIES TRUST
(A Company Limited by Guarantee)

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ENDEAVOUR ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr B Phillipo
K Fraser
C Frieze
T Joel
I Robley (deceased 5 September 2020)

Trustees

K Fraser, Chair
G R Attwood[1]
J Flaws (appointed 8 September 2020)[1]
Fr G Holland
P Latham, CEO and Accounting Officer[1]
M Lovatt (appointed 8 September 2020)
Dr B Phillipo[1]
C Wain (appointed 26 January 2021)
A J Wentworth

[1] Finance and audit committee

Local Governing bodies:
Macmillan Academy

A Bennett, Chair from 18 January 2021
Dr M Malden (resigned 17 November 2020), Chair until 17 November 2020
N Smith, Vice Chair
P Latham, Principal
M Featherstone (appointed 29 September 2020)
T Joel
R Magowan
I Reed
M Stephenson

Archibald Primary School

Fr G Holland, Chair
A Sandham, Vice Chair
A Jefferies, Headteacher
T Ahmed
L Chapman
C Dalton
A Foord
S Isane
D Rooney (Resigned 8 July 2021)
P Wales
P Whittingham (Resigned 11 May 2021)
L Yale

Company registered number

02236171

Company name

Endeavour Academies Trust

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal and registered office

Macmillan Academy
Stockton Road
Middlesbrough
TS5 4AG

Company secretary

L A Robson

Executive leadership teams

Central Trust

P Latham, Chief Executive Officer*
M Brindle, Chief Financial Officer*

Macmillan Academy

P Latham, Principal* until 31 October 2021
R Coning, Head of School * until 31 October 2021, Head Teacher from 1 November 2021
F Daffurn, Deputy Principal until 31 October 2021, Deputy Head Teacher from 1 November 2021
A Jordan, Deputy Principal until 31 October 2021, Deputy Head Teacher from 1 November 2021
N Stott, Deputy Principal until 31 October 2021, Deputy Head Teacher from 1 November 2021

Archibald Primary School

A Jefferies, Head Teacher *
S Cowgill, Deputy Head Teacher

* Key leadership personnel

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank plc
137 Albert Road
Middlesbrough
TS1 2PD

Solicitors

Jacksons Law Firm
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are trustees for the purposes of charity law and also the directors for the purposes of company law), present their annual report together with the audited financial statements of Endeavour Academies Trust (the academy trust) for the year ended 31 August 2021. The trustees confirm that the annual report and financial statements of the academy trust comply with the current statutory requirements, the requirements of the academy trust's governing document and the provisions of 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) (effective 1 January 2015)'. The annual report serves both the purposes of a trustees' report, and a directors' report under company law.

The academy trust (which is a Multi-Academy Trust (MAT)) operates one primary and one secondary academy in Middlesbrough. Its academies have a combined pupil capacity of 2,070 and a roll of 2,065 in the school census in October 2020. The Macmillan Academy Teaching School also operates within the MAT.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association and an accompanying funding agreement are the primary governing documents of the academy trust. Both these documents refer to the company as the 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 to protect trustees and governors from claims arising against negligent acts errors or omissions occurring whilst on academy business. Further details are provided in note 12.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

The board of trustees assesses what expertise it requires to strengthen its activities and responsibilities, and prospective trustees and governors are approached on that basis. Efforts are made to find locally based individuals who meet the required criteria, and to approach those identified. The academy trust has used Academy Ambassadors and Schools North East in this respect.

Trustees are appointed by members in accordance with the academy trust's Articles of Association. There is a legal minimum of three trustees, the academy trust having identified nine trustees as being our optimum number. The Chair of the academy trust plays a critical role in ensuring good governance. The Chair of the academy trust is elected annually.

Governors are appointed by the board of trustees. Governors are subject to retirement after a term of office of four years, but may be eligible for re appointment at the meeting at which they retire. The Chair and Vice Chair are elected to their respective positions annually by their fellow governors at the first governors' meeting of the academy year.

For parent governors, when required, applications have been invited from parents of registered students. If governors approved the application of more than one person seeking appointment as parent governor, an election by all registered parents will be conducted by secret ballot. It is envisaged that in the future parent governors will join the local governing body of each academy/school operated by the academy trust.

Policies adopted for the induction and training of trustees

The training and induction provided for new trustees and governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new trustees and governors meet members of the key leadership personnel and are given a tour of the academy and the chance to meet with staff and students. All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there might only be one or two new trustees or governors in any year, induction is tailored specifically to the individual.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

There are four levels of governance which are the members, the trustees, the Chief Executive Officer ("CEO"), together with the key leadership personnel, and local governing bodies.

The number of members reduced to four during the year following the death of I Robley. The members determine the objects of the academy trust. The members also receive the Annual Report and Financial Statements. The members appoint the trustees. The overriding role of the members is to oversee and hold the trustees to account.

The trustees determine the policies and ethos of the academy trust. They have an obligation to ensure high standards and hold the Local Governing Bodies to account for the performance of schools within the academy trust. The trustees ensure that sound and appropriate financial governance are in place, approve the academy trust budget and ensure high standards of probity in the management of public funds. The trustees approve the Annual Report and Financial Statements.

The trustees appoint the CEO. The CEO is given delegated responsibility from trustees for the day to day operation and management of the academy trust. The CEO has overarching responsibility for the performance of the academy trust and its staff. The CEO is also named individually as the academy trust's Accounting Officer. The role of the CEO is supported by the key leadership personnel.

Reporting to the trustees, Local Governing Bodies are responsible for educational standards in their particular school. In their role in monitoring standards, they consider and approve the self-evaluation of their school and oversee the school improvement plan.

The Local Governing Bodies of schools within the academy trust hold the key leadership personnel to account. In addition to monitoring the school performance the Local Governing Body will identify a suitably skilled Governor to act as Safeguarding Governor, ensuring that safeguarding practice is in line with the academy trust's safeguarding policy.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy's key leadership personnel are set against national leadership spine point scale, reflecting national pay awards. The key leadership personnel of schools in the academy trust have their performance appraisal carried out by the Principal/Headteacher. The CEO carries out appraisal of Headteachers and makes recommendations on pay to the Audit and Finance Committee. The Chair of the trustees carries out the performance appraisal of the CEO with pay determined by the trustees.

Trade union facility time

The trust did not employ any relevant union officials during the period.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties and other connected charities and organisations

M A Enterprises Limited
K Fraser is a member and trustee of the academy trust and also a member and director of M A Enterprises Limited, a company limited by guarantee. On 31 August 2021 K Fraser ceased to be a member of M A Enterprises and Endeavour Academies Trust became a member of the company. As a result M A Enterprises Limited is now a subsidiary of Endeavour Academies Trust.

Jacksons Law Firm
A Wentworth is a trustee of the academy trust and is a member of Jackson Commercial & Private Law LLP.

Father G Holland
Father G Holland is a trustee of the academy trust and also provides enrichment activities to students of the academy trust.

Further details are stated in Note 27 to the financial statements.

Engagement with employees (including disabled persons)

The academy trust engages with employees to ensure that information on matters of concern is addressed. Staff are consulted regularly to ensure that their views are taken into account when making decisions likely to affect their interests. Academic and financial performance are considered as part of performance review targets which are linked to progression and promotion within the trust.

Equal opportunities

The trustees recognise that equal opportunities are an integral part of good practice within the workplace. The academy trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed wherever possible and door widths are adequate to enable wheelchair access to all the main areas of the academies. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available, and through training and career development.

Engagement with suppliers, customers and others in a business relationship with the academy trust

The academy trust engages regularly with suppliers, customers and other relevant stakeholders such as beneficiaries, funders and the wider community. During the current year additional discussions have taken place with suppliers to ensure that costs are minimized where services were not provided due to closure. This has resulted in savings across both academies during the year.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company was the operation of academy schools to provide education for students of different abilities between the ages of 2 and 19 in order for them to progress to enriched lifelong learning opportunities. This is enhanced through the operation of a training school.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance and its appendices specifies, amongst other things, the basis for admitting students to the academies and the catchment area from which the students are drawn.

Objectives, strategies and activities

Since the first academy was opened in 1989 as Macmillan College, a City Technology College, the trustees have always strived to achieve the following:

- to ensure that every child enjoys the same high quality education in terms of resourcing;
- teaching and to care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy trust's business in accordance with the highest standards of integrity, probity and openness.

The academy trust has four strategic aims towards which its schools work towards:

i. The pursuit of excellence in teaching and learning
ii. Developing a whole education
iii. Providing student health and wellbeing
iv. Preparing students for future employment.

While academies within the academy trust have separate objectives which are developed and reviewed by their Local Governing Bodies, the academy trust continued to set trust wide objectives for 2020/21:

i. Improve the quality of teaching and learning across the trust through the successful implementation of 'Year 3' of the OPTIC Teaching and Learning Model.
ii. To develop curricular collaboration across both schools, ensuring there is continuity between Key Stages 2 and 3 in each subject.
iii. Use the COVID Recovery Premium to mitigate the impact of COVID learning loss across both Macmillan and Archibald.
iv. Ensure safeguarding is robust across the trust and has been enhanced in line with the changes to national policy.
v. Ensure central services are sufficiently resourced and able to support the operational running of both schools in the expectation of further COVID disruption.

Public benefit

The academy trust makes a significant contribution by its teaching and other activities to the advancement of education for the public benefit for students aged 2-19 serving the catchment area of Middlesbrough on an open basis, and as set out in this report. Therefore. the trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key performance indicators

	2020/21	2019/20
Total income per pupil	£6,395	£6,089
Total GAG income per pupil	£5,042	£4,867
Staff costs per pupil	£5,342	£5,116
Total costs per pupil	£6,814	£6,638
Staff costs as % of total costs	78%	77%
Staff costs as % of total income	84%	80%
Pupil to teacher ratio	15:1	14:1

Going concern

After detailed consideration, the board of trustees has a clear expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies section.

Promoting the success of the company

The trustees of the academy trust act to promote the success of the charitable company to achieve its charitable purposes. In doing so they have regard (amongst other matters) to:

i The likely consequences of any decision in the long term;
ii The interests of the academy trust's employees;
iii The need to foster the academy trust's business relationships with suppliers, customers and others;
iv The impact of the academy trust's operations on the community and environment;
v The desirability of the company maintaining a reputation for high standards of business conduct; and
vi The need to act fairly as between members of the academy trust.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW

Financial report for the year

During the year ended 31 August 2021, total recurrent grant funding from the DfE/ESFA together with other incoming resources was less than total expenditure of £14,071,000. The excess of expenditure over income for the year of unrestricted funds and restricted funds (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £287,000. The in-year surplus on restricted general funds plus unrestricted general funds but excluding the increase in the pension reserve liability was £328,000.

All of the expenditure shown in the statement of financial activities is in furtherance of the academy trust's objectives.

The academy trust held fund balances at 31 August 2021 of £17,798,000 comprising £15,238,000 of restricted funds, including £6,072,000 deficit on the pension reserves, and £2,560,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2021 was £3,045,000.

At 31 August 2021 the net book value of fixed assets was £21,529,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

Most of the academy trust's income is obtained from the Department for 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 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice (FRS102), such grants are shown in 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.

The provisions of Financial Reporting Standard No. 102 'Retirement Benefits' have been applied in full, resulting in a deficit of £6,072,000 recognised on the balance sheet.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income' (£783,000 to £1,174,000), and ideally 7.5% of this income (equivalent to 4 weeks' expenditure, approximately £1,082,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt 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 (total funds less the amount held in fixed assets and restricted funds) is in surplus by £938,000 (see note 17). The trust has set aside specific funds for identified future capital projects in a designated capital maintenance fund.

Investment policy

The academy trust invests its liquid funds in bank accounts providing higher interest rates where the institution is believed to be sound. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA, over which the academy trust has no control. In this context the potential increases in teaching costs because of increases in employer's pension and national insurance contributions create a specific risk. In addition the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant potential deficit on the trust balance sheet if the academy trust was called upon to meet it. 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.

Financial and risk management objectives and policies

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks. These are discussed further in the risk management section of this report, and in the governance statement.

Risk management

The academy trust has 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 academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, student safety and school visits) and in relation to the control of finance. The academy trust has an effective system of internal financial controls and this is explained in more detail in the governance statement.

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

Fundraising

Each member academy undertakes fundraising events. This work does not involve the use of any commercial participators or professional fundraisers. The academy trust adheres to all necessary legislation. Funds raised are monitored as part of the monthly management account process as well as by each individual academy. No complaints have been received in the year. All practices are compliant with Charity Commission guidance.

STREAMLINED ENERGY AND CARBON REPORTING

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	2,892,401	2,513,898
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	368.84	300.65
Owned transport	0.68	2.43
Total scope 1	369.52	303.08
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	185.78	184.15
Total gross emissions (in tonnes of C02 equivalent):	555.30	487.23
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.27	0.24

Quantification and Reporting Methodology:-

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters in most locations and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

PLANS FOR FUTURE PERIODS

The two academies within the trust will continue to work together sharing best practice and seeking mutual benefits that cross-phase (Primary and Secondary) collaboration can bring both organisations.

With over 2,000 pupils, Endeavour Academies Trust is categorized as a 'medium sized trust'. When the MAT was formed it was envisaged that it would grow beyond two schools. Whilst the number of local authority maintained schools transferring to academies has slowed in the last year, it is still the trustees intention to expand the MAT. To that end Endeavour Academies has embarked on several school improvement projects with local schools over the last 12 months and have received four enquiries from local schools to discuss the option of joining Endeavour Academies. The closure of schools in March 2020 and lengthy period of lockdown have slowed progress in this area.

DISCLOSURE OF INFORMATION TO ADUTIORS

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 23 November 2021 and signed on its behalf by:

K Fraser
Chair

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Endeavour Academies 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 seven times during the year.

The board of trustees usually meets six times per year. Due to the coronavirus outbreak an extra meeting was held in September 2020 to allow late changes to be incorporated into the approved three year budget for 2020/21 to 2022/23. Meetings continued to be held virtually throughout the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Fraser, Chair	7	7
G R Attwood	7	7
J Flaws	7	7
Fr G Holland	5	7
P Latham, CEO and Accounting Officer	7	7
M Lovatt	5	7
Dr B Phillipo	7	7
C Wain	2	4
A J Wentworth	7	7

Changes in the board of trustees are noted on page 1.

Members of the board continue to benefit from membership of the National Governors Association.
Following the resignation of board members in prior year trustees identified the need for new trustees, with expertise in finance, the higher education sector, primary school leadership and school improvement identified as being of particular value to the trust. Three new trustees have been appointed during the 2020/21 academic year: M Lovatt, J Flaws and C Wain. The new trustees provide valuable expertise in the following areas: finance and risk management, teaching and learning, safeguarding.

Governance (continued)

The finance and audit committee is a sub-committee of the main board of trustees. This committee met three times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr B Phillipo	3	3
G R Attwood	3	3
J Flaws	2	2
K Fraser	3	3

In attendance:

Trustee	Meetings attended	Out of a possible
P Latham, Chief Executive Officer	3	3
M Brindle, Chief Financial Officer	3	3

Review of value for money

As Accounting Officer, the CEO 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:

- Review of staffing structure to identify efficiency savings through non-replacement of staff who have left, and redeployment of staff to alternative duties during COVID.
- Developing new central systems and processes to deliver greater efficiencies across the trust including a new HR/payroll system and staffing structure.
- Developing greater cross-MAT working through sharing of staff between schools to further develop educational links and improve the experience for our pupils.

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 Endeavour Academies Trust for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the local governing body 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 decided to employ Azets as internal auditor.

The internal auditor's role includes giving advice on financial and other 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:

- Financial Procedures, Financial Accounting Records and Systems
- Data Protection & GDPR Compliance
- Month and Year End Procedures
- Bank Procedures
- Payroll and Joiners & Leavers
- Procurement
- Assets
- Data Security
- Gifts & Hospitality
- Monthly Management Reporting and KPIs
- Benchmarking
- Website Review
- Risk Register
- Trust Development
- School Number Data
- Register of Pecuniary Interests
- Compliance and Governance
- Related Party Transactions
- Budgeting & Cashflows
- Top 10 Planning Checks
- VAT & Corporation Tax

The internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Two reports were completed during the year in line with the programme of work approved by the board of trustees. The schedule of work has been delivered as planned and no significant issues have arisen as a result of their work.

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive leaders 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 23 November 2021 and signed on their behalf by:

K Fraser
Chair

P Latham
CEO and Accounting Officer

ENDEAVOUR ACADEMIES TRUST

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Endeavour Academies 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 2020.

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 2020.

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.

P. Latham

P Latham
CEO and Accounting Officer
Date:23 November 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the trustees to prepare financial statements for each financial 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 23 November 2021 and signed on its behalf by:

K J Fraser

K Fraser
Chair

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENDEAVOUR ACADEMIES TRUST

Opinion

We have audited the financial statements of Endeavour Academies Trust (the 'academy trust') for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Clive Owen LP

Christopher Beaumont BA (Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 13 December 2024

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENDEAVOUR ACADEMIES 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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Endeavour Academies Trust during the year 1 September 2020 to 31 August 2021 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 Endeavour Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Endeavour Academies 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 Endeavour Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Endeavour Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Endeavour Academies Trust's funding agreement with the Secretary of State for Education dated 28 February 2006 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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;

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

- 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;

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 13 December 2021

ENDEAVOUR ACADEMIES TRUST

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted Fixed assets funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	17	-	159	176	28
Other trading activities		89	-	-	89	100
Investments	6	-	-	-	-	8
Charitable activities:						
Funding for the academy trust's educational operations		167	12,734	-	12,901	12,330
Teaching school		-	40	-	40	40
Total income		273	12,774	159	13,206	12,506
Expenditure on:						
Charitable activities:						
Academy trust educational operations		163	13,131	737	14,031	13,594
Teaching school		-	40	-	40	40
Total expenditure		163	13,171	737	14,071	13,634
Net income/(expenditure)		110	(397)	(578)	(865)	(1,128)
Transfers between funds	17	-	(100)	100	-	-
Net movement in funds before other recognised gains/(losses)		110	(497)	(478)	(865)	(1,128)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	602	-	602	(512)
Net movement in funds		110	105	(478)	(263)	(1,640)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Reconciliation of funds:						
Total funds brought forward		2,450	(5,692)	21,303	18,061	19,701
Net movement in funds		110	105	(478)	(263)	(1,640)
Total funds carried forward		2,560	(5,587)	20,825	17,798	18,061

ENDEAVOUR ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02236171

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £000		2020 £000
Fixed assets					
Intangible assets	13		17		13
Tangible assets	14		21,512		22,052
			21,529		22,065
Current assets					
Debtors	15	343		475	
Cash at bank and in hand		2,331		1,777	
		2,674		2,252	
Creditors: amounts falling due within one year	16	(333)		(297)	
Net current assets			2,341		1,955
Total assets less current liabilities			23,870		24,020
Net assets excluding pension liability			23,870		24,020
Defined benefit pension scheme liability	25		(6,072)		(5,959)
Total net assets			17,798		18,061
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	17	20,825		21,303	
Restricted income funds	17	485		267	
Restricted funds excluding pension liability	17	21,310		21,570	
Pension reserve	17	(6,072)		(5,959)	
Total restricted funds	17		15,238		15,611
Unrestricted income funds	17		2,560		2,450
Total funds			17,798		18,061

The financial statements on pages 25 to 61 were approved by the trustees, and authorised for issue on 23 November 2021 and are signed on their behalf, by:

K Fraser
Chair

Dr B Phillipo
Chair of Audit Committee

ENDEAVOUR ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	856	192
Cash flows from investing activities	20	(302)	(118)
Change in cash and cash equivalents in the year		554	74
Cash and cash equivalents at the beginning of the year		1,777	1,703
Cash and cash equivalents at the end of the year	21, 22	2,331	1,777

The notes on pages 29 to 61 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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.

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 period is deducted from income and recognised as a liability.

  Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

  Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

1. Accounting policies (continued)

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 apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	-	3 - 5 years

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	- 2% on cost
Long term leasehold property	- evenly over the remaining years of the lease
Motor vehicles	- 25% on cost
Furniture, fittings and administration equipment	- 5% - 10% on cost
Computer and educational equipment	- 15% - 50% on cost

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.

1.8 Operating leases

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

1.9 Interest receivable

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

1.10 Taxation

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

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

1. Accounting policies (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 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.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1. Accounting policies (continued)

1.15 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.

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust does not use any allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 29.

1.17 Consolidation

MA Enterprises Limited is a subsidiary of Endeavour Academies Trust. The results of MA Enterprises Limited are not consolidated with the financial statements on the basis that the results are not material.

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 25, 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation and amortisation – Depreciation and amortisation 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 relevant accounting policy. The value of depreciation and amortisation charge during the year was £766,000.

Critical areas of judgment:

Land – Part of the land at Macmillan Academy is held under a 125 year lease from Middlesbrough Borough 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 trust, 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 could use them without major modification.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	17	87	104	51
Capital Grants	-	72	72	(23)
Total 2021	17	159	176	28
Total 2020	51	(23)	28	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	10,412	10,412	9,997
Other DfE/ESFA grants				
Pupil Premium	-	744	744	688
PE and Sport Premium	-	20	20	20
UIFSM	-	42	42	45
Rates	-	71	71	74
Year 7 Catch Up	-	-	-	17
Teachers' pay grant	-	133	133	133
Other DfE/ESFA grants	-	502	502	490
	-	-	11,924	11,464
Other Government grants				
SEN	-	145	145	102
Early Years funding	-	182	182	156
Local Authoity grants	-	118	118	184
Other Government grants	-	36	36	37
	-	481	481	479
Other income from the academy trust's academy's educational operations	167	55	222	359
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	137	137	-
Coronavirus exceptional support	-	-	-	28
Other DfE/ESFA COVID-19 funding	-	105	105	-
	-	242	242	28
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	32	32	-
	-	32	32	-
	167	12,734	12,901	12,330
Total 2020	329	12,001	12,330	

During the year the trust received £137k of funding for catch-up premium and costs incurred in respect of this funding totalled £96k.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Catering	11	11	15
Other income	78	78	85
Total 2021	89	89	100
Total 2020	100	100	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	-	-	8
Total 2020	8	8	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy trust's educational operations:					
Direct costs	9,393	-	723	10,116	9,785
Allocated support costs	1,602	1,672	641	3,915	3,809
Teaching school	38	-	2	40	40
Total 2021	11,033	1,672	1,366	14,071	13,634
Total 2020	10,509	1,656	1,469	13,634	

In 2021,of the total expenditure, £163,000 (2020 - £497,000) was to unrestricted funds and £13,908,000 (2020 - £13,137,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:
- Compensation payments
- Gifts made by the academy
- Stock losses
- Unrecoverable debts
- Cash losses

There were fixed asset losses totalling £nil (2020: £nil) in the year.

There were no ex-gratia payments in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	10,116	3,915	14,031	13,594
Total 2020	9,785	3,809	13,594	

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	9,393	8,983
Educational supplies	405	539
Examination fees	125	131
Staff development	17	17
Technology costs	113	88
Educational consultancy	62	23
Staff expenses	1	4
	10,116	9,785

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net interest cost on pension scheme	99	89
Staff costs	1,602	1,486
Depreciation	767	764
Transport	2	40
Maintenance of premises	288	269
Cleaning	231	231
Other premises costs	83	65
Energy	175	169
Rates	71	74
Insurance	60	59
Catering	354	379
Security	90	87
Other support costs	55	75
Governance costs	38	22
	3,915	3,809

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	20	23
Depreciation of tangible fixed assets	758	757
Amortisation of intangible assets	8	7
Fees paid to auditors for:		
- audit	8	7
- other services	5	5

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	7,844	7,591
Social security costs	782	743
Operating costs of defined benefit pension schemes	2,315	2,114
	10,941	10,448
Agency Staff costs	92	61
	11,033	10,509

Included within the operating costs of defined benefit pension schemes is £616,000 (2020: £480,000) in respect of the LGPS pension deficit.

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs there are no non-statutory/non-contractual severance payments in the current year (2020: £Nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	135	146
Management	7	7
Administration & support	142	142
	284	295

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	5
In the band £80,001 - £90,000	2	-
In the band £110,001 - £120,000	-	1
In the band £120,000 - £130,000	1	-

e. Key leadership personnel

The key leadership personnel are listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £457,000 (2020 £435,000).

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:

		2021 £000	2020 £000
P Latham, CEO and Accounting Officer	Remuneration	120 - 125	115 - 120
	Pension contributions paid	25 - 30	25 - 30

During the year ended 31 August 2021, no trustee expenses have been incurred (2020 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £237 (2020 - £1,767). The cost of this insurance is included in the total insurance cost.

13. Intangible assets

	Computer software £000
Cost	
At 1 September 2020	20
Additions	12
At 31 August 2021	32
Amortisation	
At 1 September 2020	7
Charge for the year	8
At 31 August 2021	15
Net book value	
At 31 August 2021	17
At 31 August 2020	13

14. Tangible fixed assets

	Long leasehold Land £000	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2020	60	28,994	3,516	966	78	33,614
Additions	-	-	81	137	-	218
Disposals	-	-	(15)	(181)	-	(196)
At 31 August 2021	60	28,994	3,582	922	78	33,636
Depreciation						
At 1 September 2020	11	7,854	2,728	892	77	11,562
Charge for the year	1	565	128	64	-	758
On disposals	-	-	(15)	(181)	-	(196)
At 31 August 2021	12	8,419	2,841	775	77	12,124
Net book value						
At 31 August 2021	48	20,575	741	147	1	21,512
At 31 August 2020	49	21,140	788	74	1	22,052

Included within freehold land and buildings is land of £950,000 (2020: £950,000) which is not depreciated.

15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	14	-
Amounts owed by group undertaking	11	48
Prepayments and accrued income	232	358
VAT recoverable	86	69
	343	475

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	70	49
Other creditors	55	58
Accruals and deferred income	208	190
	333	297

	2021 £000	2020 £000
Deferred income at 1 September 2020	60	118
Resources deferred during the year	105	50
Amounts released from previous periods	(60)	(108)
	105	60

At the balance sheet date the academy was holding monies in relation to the period September 2021 to August 2022 for revenue grants and amounts invoiced in advance in respect of UIFSM income, rates income, RSC income and TVCA income.

17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Designated funds						
Capital Maintenance Fund	-	-	-	844	-	844
General funds						
Unrestricted general funds	1,655	273	(134)	(855)	-	939
Unrestricted fixed asset funds	795	-	(29)	11	-	777
	2,450	273	(163)	(844)	-	1,716
Total Unrestricted funds	2,450	273	(163)	-	-	2,560
Restricted general funds						
General Annual Grant (GAG)	267	10,413	(10,144)	(100)	-	436
Pupil Premium	-	744	(740)	-	-	4
Post 16 Bursary	-	33	(33)	-	-	-
Teaching Schools	-	40	(40)	-	-	-
Other DfE Group grants	-	976	(935)	-	-	41
Other government grants	-	513	(509)	-	-	4
Non Government grants	-	55	(55)	-	-	-
Pension reserve	(5,959)	-	(715)	-	602	(6,072)
	(5,692)	12,774	(13,171)	(100)	602	(5,587)

17. Statement of funds (continued)

Restricted fixed asset funds						
Legacy asset	4,086	-	(86)	-	-	4,000
Government capital grants	12,778	128	(401)	-	-	12,505
GAG capital expenditure	893	-	(133)	100	-	860
Private sector capital sponsorship	952	-	(45)	-	-	907
LA capital grant	171	31	(12)	-	-	190
CIF	1,531	-	(31)	-	-	1,500
ERDF capital grant	500	-	(16)	-	-	484
NDC capital grant	392	-	(13)	-	-	379
	21,303	159	(737)	100	-	20,825
Total Restricted funds	15,611	12,933	(13,908)	-	602	15,238
Total funds	18,061	13,206	(14,071)	-	602	17,798

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 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.

Post 16 Bursary is funding for sixth form students. Other DfE Group grants relate to appeals and rates relief, COVID funding, UIFSM, PE & Sports, Year 7 Catch Up, teachers pay, teachers pension, and FSM supplementary funding.

Teaching Schools is funding for the provision of teachers training and towards the facilities and services necessary for such an activity.

Other Government grants includes SEN funding, which is income to support students with special educational needs and income from the local authority for early years funding.

Non Government grants include funding from NESTA for the Headstart programme for Post 16 students and Shine funding towards the Year 6 Mathematics Greater Depth Transition project.

The Capital Maintenance Fund relates to money designated by trustees towards specific future capital projects.

17. Statement of funds (continued)

The pension reserve is the liability due to the deificit on the Local Government Pension Scheme. Further details are shown in note 25.

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.

A transfer of £100,000 (2020: £121,000) has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

A transfer of £844,000 (2020: Nil) has been made from Unrestricted general funds to Capital Maintenance Fund in respect of potential infrastructure projects identified across the sites.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted general funds	1,657	488	(470)	(20)	-	1,655
Unrestricted fixed asset funds	802	-	(27)	20	-	795
	2,459	488	(497)	-	-	2,450
Restricted general funds						
General Annual Grant (GAG)	178	9,997	(9,787)	(121)	-	267
Pupil Premium	-	688	(688)	-	-	-
Post 16 Bursary	-	41	(41)	-	-	-
Teaching Schools	-	40	(40)	-	-	-
Other DfE Group grants	-	738	(738)	-	-	-
Other Government grants	-	507	(507)	-	-	-
Non Government grants	-	30	(30)	-	-	-
Pension reserve	(4,878)	-	(569)	-	(512)	(5,959)
	(4,700)	12,041	(12,400)	(121)	(512)	(5,692)
Restricted fixed asset funds						
Legacy asset	4,172	-	(86)	-	-	4,086
Government capital grant	13,121	41	(384)	-	-	12,778
GAG capital expenditure	916	-	(150)	127	-	893

17. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Private sector capital sponsorship	998	-	(46)	-	-	952
LA capital grant	181	-	(10)	-	-	171
CIF	1,632	(64)	(31)	(6)	-	1,531
ERDF capital grant	516	-	(16)	-	-	500
NDC capital grant	406	-	(14)	-	-	392
	21,942	(23)	(737)	121	-	21,303
Total Restricted funds	17,242	12,018	(13,137)	-	(512)	15,611
Total funds	19,701	12,506	(13,634)	-	(512)	18,061

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Central trust	116	75
Macmillan Academy	2,648	2,440
Archibald Primary School	281	202
Total before fixed asset funds and pension reserve	3,045	2,717
Restricted fixed asset fund	20,825	21,303
Pension reserve	(6,072)	(5,959)
Total	17,798	18,061

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 2021 £000	Total 2020 £000
Central trust	113	999	7	44	1,163	1,010
Macmillan Academy	7,250	606	298	1,345	9,499	9,361
Archibald Primary School	2,063	101	100	378	2,642	2,499
Academy trust	9,426	1,706	405	1,767	13,304	12,870

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted Fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	778	-	20,734	21,512
Intangible fixed assets	-	-	17	17
Current assets	1,848	752	74	2,674
Creditors due within one year	(66)	(267)	-	(333)
Provisions for liabilities and charges	-	(6,072)	-	(6,072)
Total	2,560	(5,587)	20,825	17,798

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted Fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	795	-	21,257	22,052
Intangible fixed assets	-	-	13	13
Current assets	1,727	474	51	2,252
Creditors due within one year	(72)	(207)	(18)	(297)
Provisions for liabilities and charges	-	(5,959)	-	(5,959)
Total	2,450	(5,692)	21,303	18,061

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(865)	(1,128)
Adjustments for:		
Amortisation	8	7
Depreciation	758	757
Capital grants from DfE and other capital income	72	23
Dividends, interest and rents from investments	-	(8)
Defined benefit pension scheme cost less contributions payable	616	480
Defined benefit pension scheme finance cost	99	89
Decrease in debtors	132	230
Increase/(decrease) in creditors	36	(258)
Net cash provided by operating activities	856	192

20. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	-	8
Purchase of intangible assets	(12)	-
Purchase of tangible fixed assets	(218)	(103)
Capital grants from DfE Group	(72)	(23)
Net cash used in investing activities	(302)	(118)

21. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank in hand	2,331	1,777
Total cash and cash equivalents	2,331	1,777

22. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	1,777	554	2,331
	1,777	554	2,331

23. Central services

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

- Financial services
- Legal services
- Internal and external audit
- Premises management
- Human resources
- Education support services

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

5% GAG income

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Macmillan Academy	382	300
Archibald Primary School	86	85
Total	468	385

24. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements	59	-

25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,340,000 (2020 - £1,293,000).

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

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

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £483,000 (2020 - £459,000), of which employer's contributions totalled £359,000 (2020 - £341,000) and employees' contributions totalled £124,000 (2020 - £118,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 per cent - 8.5 per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	80.00	80.00

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	23.6	23.5
Retiring in 20 years		
Males	23.3	23.2
Females	25.4	25.3

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(364)	(315)
Discount rate -0.1%	380	329
Mortality assumption - 1 year increase	(601)	(493)
Mortality assumption - 1 year decrease	601	507
CPI rate +0.1%	332	288
CPI rate -0.1%	(317)	(274)

25. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	7,716	5,886
Cash	810	898
Property	712	620
Other	517	341
Total market value of assets	9,755	7,745

The actual return on scheme assets was £1,685,000 (2020 - £4,711,000 deficit).

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

	2021 £000	2020 £000
Current service cost	(975)	(821)
Interest income	134	234
Interest cost	(233)	(323)
Total amount recognised in the Statement of Financial Activities	(1,074)	(910)

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

	2021 £000	2020 £000
At 1 September	13,704	17,006
Interest cost	233	323
Employee contributions	124	118
Actuarial losses/(gains)	949	(4,433)
Benefits paid	(158)	(131)
Current service costs	975	821
At 31 August	15,827	13,704

25. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	7,745	12,128
Expected return on assets	134	234
Actuarial gains/(losses)	1,551	(4,945)
Employer contributions	359	341
Employee contributions	124	118
Benefits paid	(158)	(131)
At 31 August	9,755	7,745

26. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	24	18
Later than 1 year and not later than 5 years	51	8
	75	26

27. Related party transactions

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

27. Related party transactions (continued)

The following related party transactions took place in the financial period.

Income Related Party Transaction

M A Enterprises Limited ("MAE")
K Fraser is a member and trustee of the academy trust and is also a member and director of MAE, a company limited by guarantee. He ceased to be a member of MAE on 31 August 2021. As a result MAE is now a subsidiary of Endeavour Academies Trust.

In the year to 31 August 2021 MAE achieved an operating profit of £16,394 (2020: £50,358) which was donated to the academy trust under gift aid. At 31 August 2021 debtors include a balance of £11,316 (2020: £48,021) due from MAE.

Expenditure Related Party Transaction

Jacksons Commercial & Private Law LLP - a partnership in which A Wentworth (a trustee) is a member:

The academy trust purchased legal services from Jacksons Commercial & Private Law LLP totalling £Nil (2020: £250) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).
The academy trust made the purchase at arms' length in accordance with its financial regulations, which A Wentworth neither participated in, nor influenced.
In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

Fr G Holland - a trustee:

The academy trust purchased enrichment activities from Fr G Holland totalling £870 (2020: £660) during the period. There were no amounts outstanding at 31 August 2021(2020: £nil).
The academy trust made the purchase at arms' length in accordance with its financial regulations, which Fr G Holland neither participated in, nor influenced.
In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

28. Members' liability

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

29. Agency arrangements

The academy trust distributed 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the academy trust received £33,000 and disbursed £33,000 from the fund. An amount of £1,000 is included in deferred income relating to undistributed funds that is repayable to the ESFA.

30. Subsidiary

Results for the trading of MA Enterprises Limited for 2020 and 2021:

	2021	2020
Profit and loss account		
Income	27,142	63,922
Interest received	2	12
Costs	10,750	13,576
Gift Aid donation	16,394	50,358
Net profit	-	-
Balance Sheet		
Debtors	13,767	5,564
Cash at bank	10,885	52,772
Amount owed to related party	16,394	50,358
Other creditors	3,080	2,800
Net assets	5,178	5,178

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

31. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Direct income				
DfE/ESFA Grants	40		40	
Total income		40		40
Expenditure				
Direct expenditure				
Direct staff costs	30		30	
Other expenditure				
Other staff costs	10		10	
Total expenditure		40		40
Surplus from all sources		-		-
Teaching school balances at 1 September 2020		-		-
Teaching school balances at 31 August 2021		-		-