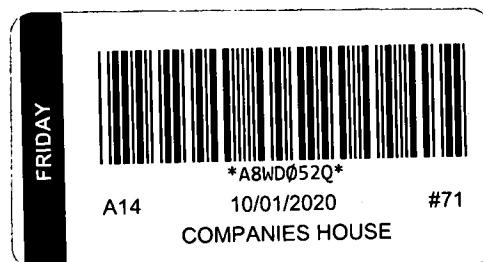


Report of the Trustees and
Financial Statements for the Year Ended 31 August 2019
for
Endeavour Academy Trust

Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA



Contents of the Financial Statements
for the Year Ended 31 August 2019

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees including Structure & Management	3 to 12
Governance Statement	13 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Report of the Independent Auditors	18 to 20
Independent Accountant's Report on Regularity	21 to 22
Statement of Financial Activities	23 to 24
Statement of Financial Position	25 to 26
Statement of Cash Flows	27 to 28
Notes to the Financial Statements	29 to 54

Endeavour Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS

J Rogers (Chair of the Board of Trustees)
A Georgiou
K Adlard
S Searle-Barnes
T Lord (resigned 29.10.18)

TRUSTEES

J Rogers (Chair of the Board of Trustees)
G Guthrie (Vice-Chair of the Board of Trustees)
J Atkin (Vice-Chair of the Board of Trustees) (resigned 1.10.18)
B Daykin (resigned 22.4.19)
T Sanday
M Patrick
C Arnold (resigned 8.10.18)
R Williams (resigned 12.05.19)
I McKay (appointed 02.04.19)
S Clarke (appointed 21.05.19)
D Haydock (appointed 20.06.19)

COMPANY SECRETARY

M Trowbridge

SENIOR MANAGEMENT TEAM

S Clarke (Chief Executive Officer) (appointed 23.04.19)
B Daykin (Chief Executive Officer) (resigned 22.04.19)
J Rice
J Cooke
J Howarth-Brown
A Reese
N Lankester

REGISTERED OFFICE

Little Mead Primary Academy
Gosforth Road
Southmead
Bristol
BS10 6DS

REGISTERED COMPANY NUMBER

08245853 (England and Wales)

Endeavour Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2019

AUDITORS

Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

BANKERS

Lloyds Bank
284 Wells Road
Knowle
Bristol
BS4 2PY

SOLICITORS

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

HEALTH & SAFETY ADVISOR

Safewell
Redwood House
Templars Way Industrial Estate
Wootton Bassett
Wiltshire
SN4 7SR

INSURER

RPA Scheme &
Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
GU14 6GB

Endeavour Academy Trust

Report of the Trustees for the Year Ended 31 August 2019

The Academy Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The core purpose of Endeavour Academy Trust ('Academy Trust' or 'Trust') is to provide a high quality education for the children in our academies. As a small but growing Multi-Academy Trust, we have built our reputation as a successful organisation with ambition for every child. During the year ended 31 August 2019, our Academy Trust was comprised of 3 primary schools: Fonthill Primary Academy; Henbury Court Primary Academy & Little Mead Primary Academy. These schools also have Nursery provision. In addition, Charlton Wood Primary Academy will open in September 2019.

- **Our Vision:** Together we can achieve successful, sustainable schools; driven by an embedded culture of collaborative learning and a collective responsibility to deliver outstanding outcomes for all.
- **Strapline:** Together we can...
- **Mission statement:** The schools of choice; employer of choice; partner of choice
- **Values:**
 - We Inspire: we listen, we believe, we challenge and we celebrate
 - We Include: we listen, we respect, we value and we collaborate
 - We act with Integrity: we listen, we act, we reflect and we learn

Structure 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 are the primary governing documents of the Academy Trust. The Trustees of Endeavour Academy Trust are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

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

Endeavour Academy Trust's Trustees and local governors benefit from qualifying third-party indemnity and a qualifying pension scheme indemnity, as defined by Section 234 and 235 of the Companies Act 2006. These indemnities were in force throughout the last financial year and are currently in force. Trustees are indemnified against loss from claims made against them jointly or severally by reason of maladministration where the Academy Trust is legally entitled or obligated to do so. The Academy Trust is also indemnified against loss arising from claims brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by any Trustee or employee of the Academy Trust, as well as any individual providing voluntary assistance to the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

New Trustees are recruited based on skills and can be drawn from the wider governance team and from external sources. Any prospective Trustee is interviewed by the Chair of Trustees (or their named representative) and the Chief Executive Officer. A proposal is then brought to the Members or Trustees for formal consideration.

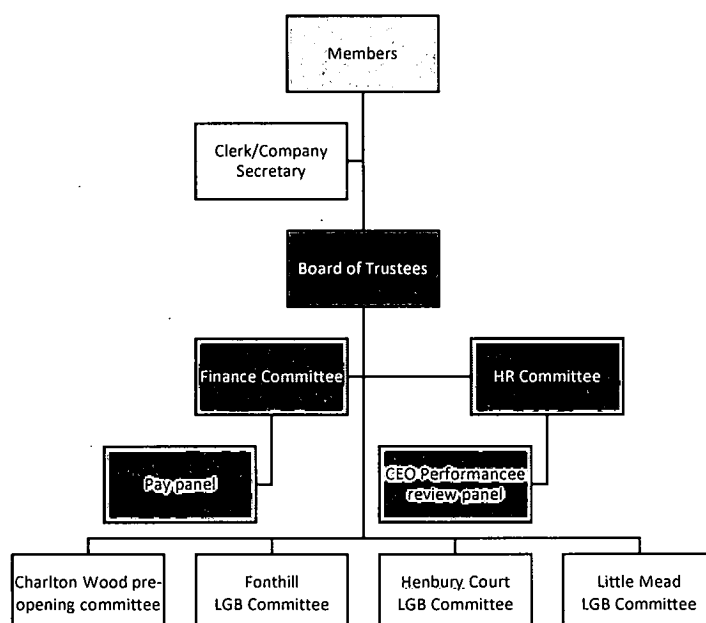
The Academy Trust's Chief Executive Officer is an ex-officio Trustee. Up to ten Trustees are appointed and removed by the Members and others are appointed by the Board. All Trustees have a 4-year term of office by default.

Parents are eligible to be elected as local governors to the Local Governing Body (LGB) Committee established for each Academy. The LGB Committees report directly to the Board of Trustees in line with the approved Scheme of Delegation which is published on the Trust's website.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with an induction outlining the key roles and responsibilities. The Trust provides ongoing updates and training via its subscription to The Key for School Governors and Bristol City Council's Governors Development Service.

2018.19 Organisational Structure:



The Board of Trustees oversees the business aspects of the organisation. Meetings are held on a termly basis to oversee fulfilment of its core functions of governance and statutory duties:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its

- pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.

Through the Scheme of Delegation, the Board of Trustees delegates operational oversight to the Chief Executive Officer and a strategic scrutiny remit to a number of committees:

Finance Committee, responsible for:

- ensuring the financial health of the company;
- ensuring appropriate independent checking of internal financial controls, systems, transactions and risks;
- carrying out the functions of an audit committee.

Human Resources Committee, responsible for:

- considering issues relating to employment and contracts of employment, particularly for the Executive Leadership Team, including the review of salaries and benefits;
- ensuring the recruitment and development of an appropriate governance team.

Policy Working Group, responsible for:

- providing a Trust-wide platform for the scrutiny, review and editing of Academy Trust policy

Chief Executive Officer Performance Review Panel, responsible for:

- the performance of the Chief Executive Officer and recommending performance objectives and pay progression proposals to the HR Committee.

A Local Governing Body is established for each Academy which is responsible for:

- ensuring all pupils within the Academy Trust have access to a high quality education provision in line with the shared vision.
- ensuring that the academic and well-being needs of pupils are met effectively through the design and delivery of a broad and balanced curriculum which, through use of personalised developmental support, helps to maximise each student's success and enjoyment; and
- ensuring all students are safeguarded.

The Scheme of Delegation and more information about the Academy Trust's governance arrangements are published on the Academy Trust's website: <https://www.endeavouracademytrust.org.uk/230/governance>

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of all staff are set out in the Trust's Pay Policy and are set out below.

The CEO

Whenever a new CEO (Chief Executive Officer) is appointed the salary for the role will be determined by the Board of Trustees. The salary for the role of CEO will be determined by:

- the appropriate Head Teacher Group (HTG) as calculated by combining the pupil numbers of all Endeavour Academy Trust academies at the time of that calculation; and
- any other provision as set out in the STPC Document that the Board of Trustees sees fit to implement.

The Board may seek advice from an appropriately qualified advisor and/or undertake benchmarking or other processes to ensure that the salary is appropriate.

Trust Head Teachers

The Board will assign the school to the appropriate Head Teacher Group (HTG) whenever a new Head Teacher is to be appointed and on such occasions as the Board sees fit. Each school's HTG must be re-evaluated as a

matter of course every three years and/or if the CEO makes a request to the FAR Committee that a re-evaluation be carried out.

When a new Head Teacher is appointed, will re-determine a salary range on which the Head Teacher's salary will be paid, according to the size and circumstances of the school. The salary range of the Head Teacher shall be a range of 7 consecutive salary points within the HTG range for the school.

The selection panel, set up to appoint a new Head Teacher or CEO, shall determine the salary point on the Head Teacher's salary range to be paid. The selection panel shall have regard to advice available from persons engaged by the Board.

In the event that the Board agrees to the school's Head Teacher also being made the Head Teacher of another school on a permanent basis, the Head Teacher's salary will be determined in accordance with the STPC Document. Where such a decision is made then the Board will also review the salary ranges of any other teachers affected by the arrangement by increased responsibilities. Where such arrangements are temporary the safeguarding provisions will not apply.

Deputy and Assistant Head Teachers

The HR Committee, following consideration of the relevant criteria set out in the STPC Document, will determine the range of 5 consecutive salary points on the school's Head Teacher Group for a newly appointed Deputy Head Teacher's or Assistant Head Teacher's salary.

At the time of appointing a new Deputy Head Teacher or Assistant Head Teacher the selection panel of the Board making the new appointment shall determine the salary point on the individual range to be paid. The point to which the teacher is appointed on the individual range shall not exceed the third point. The selection panel shall have regard to advice available from persons engaged by the Board.

The salary ranges for a Deputy or Assistant Head Teacher shall be determined with reference to the school's Head Teacher salary range and the highest paid classroom teacher as defined by the STPC Document.

Support Staff

On appointing a member of support staff, the job description determined for the post to which the employee is to be appointed will be evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. Advice may be sought from HR professionals to advise on an approved evaluation process.

The CEO will determine the appropriate point on the evaluated grade having regard to relevant qualifications and/or competencies and the recruitment/retention needs of the school in respect of the post.

Trade Union Facility Time

Nil.

Related Parties and other Connected Charities and Organisations

The Academy Trust has no formal links with any other organisations. The current business interests as reported by Trustees and Members are published on the Academy Trust's website:

<https://www.endeavouracademytrust.org.uk/230/governance>

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Our Objectives:

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools (the "Academies") offering a broad and balanced curriculum. In furtherance of the Objects but not further or otherwise the Academy Trust may exercise the following powers:

Objectives, Strategies and Activities

Through a strong, collaborative approach we can:

- Secure outstanding achievement for all children in our schools, meeting their individual needs and finding creative ways to help them succeed
- Help children to form safe and compassionate relationships, develop positive values and understand how to make a worthwhile contribution to their communities
- Build an outstanding workforce, recruiting the best and providing opportunities to grow and develop within the Academy Trust
- Forge strong links within our own communities and across the wider community of the Academy Trust.
- Create outstanding, high quality environments which inspire learning and instil a sense of pride in our schools
- Sustain strong and confident leadership and governance across all levels of the organisation.
- Maintain the highest possible standards of financial and organisational management, driven by far reaching ambition for our pupils
- Achieve measured and successful growth within the sponsorship of two additional schools

Public Benefit

The Trustees have ensured through monitoring and scrutiny of the activities of the Academy Trust that the primary objective of the Academy Trust to provide education for the public benefit has been met. Trustees have therefore complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers.

STRATEGIC REPORT

Achievement and performance

Key performance indicators:

	Fonthill Primary Academy Ofsted: Good			Henbury Court Primary Academy Ofsted: Good			Little Mead Primary Academy Ofsted: Outstanding		
<u>Key Stage 2</u>	All 3 EXS+	All 3 GDS		All 3 EXS+	All 3 GDS		All 3 EXS+	All 3 GDS	
2019 Results	65%	4%		48%	5%		67%	9%	
National Av (2019)	EXS+= 65% GDS+ = 10%								
Progress	Reading	Writing	Maths	Reading	Writing	Maths	Reading	Writing	Maths
KS 1 -2	+1.9 (-0.8 to +4.6) Average	-1.5 (-3.9 to +1.0) Average	0.3 (-2.1 to +2.6) Average	-1.7 (-3.7 to +0.3) Average	-0.9 (-2.8 to +0.9) Average	-2.5 (-4.2 to -0.7) Below average	0.0 (-1.6 to +1.6) Average	0.3 (-1.2 to +1.7) Average	0.2 (-1.2 to +1.6) Average

Going Concern

After careful consideration of its financial strategy, and the Academy Trust's income, expenditure and reserves, the Trustees express confidence 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 Statement of Accounting Policies.

Financial Review

The Trust is in a strong financial position. The Endeavour Financial Procedures Handbook and associated policies underpin the work of the Trust's finance team. Careful financial management has ensured that the Trust's key objectives have been furthered. The Trust has an in-year deficit of £74,436 due to expenditure on fixed assets to improve school facilities. The Trust maintains healthy and appropriate reserves of £679,914 (excluding Pension Reserves and Fixed Assets) as at 31 August 2019. The current CEO and CFO were appointed in this year. Fonthill Primary Academy was welcomed into the Trust on 1st July 2018 and Charlton Wood Primary Academy opened on 1st September 2019. The financial implications for the Trust incorporating these schools are reflected in these accounts (in particular, the additional £8.178m of fixed assets and the increase in pension liability to £4.74m).

Reserves

The Trust's approach to reserves is set out in the Reserves Policy. In summary, the Trust will seek to maintain a prudent level of reserves bearing in mind the recurrent spending needs of the Trust and to ensure high quality provision.

Reserves are held under the name of each school in their specific bank account. It is the Trust's responsibility to ensure that sufficient reserves are maintained to cover reasonably foreseeable revenue expenditure and capital projects where appropriate. The Board approves any spend from an individual Schools reserves.

Investments

The Trust's approach to investments is set out in the Investments Policy. In summary, the Trust may invest surplus cash funds to optimise returns whilst ensuring the investment instruments are such that there is a minimal risk of loss of these cash funds. Where cash flow reports identify a base level of cash funds that will be surplus to requirements, the Board of Trustees may choose to invest these funds with the advice of a

financial expert if required. The CFO will review the interest rates being achieved by any investment on a 3-monthly basis.

Significant Events

Charlton Wood Primary Academy will open in September 2019. This will materially increase the amount of funding available to the Trust to meet its charitable objectives. The current CEO and CFO were appointed in this year.

Principal Sources of Funding

The principle sources of funding to the Trust are as follows:

- General Annual Grant (GAG) funding from the Department for Education
- Pupil Premium funding from the Department for Education
- Early Years funding from the relevant Local Authority
- Special Educational Needs and Disability top-up funding from the relevant Local Authority
- Income received from parents for school meals, school trips & visits, music lessons, etc.

Expenditure in relation to each area of funding is allocated appropriately with due regard to:

- the terms and conditions of the funding source for restricted income sources;
- the Trust's strategic objectives as set out in the Trust's Strategic Plan;
- each school's strategic objectives as set out in the schools' School Improvement Plans; and
and other statutory duty of the Trust

Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

Reserves policy

The Academy Trustees review the reserve levels of the Academy Trust annually. The Academy Trust operates a robust reserves policy. In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Academy Trust's core purpose of providing a high-quality education is preserved. At the same time, the Academy Trust wishes to ensure that it uses its funding to benefit the pupils in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Trustees monitor levels of reserves through the Finance Committee and through these annual financial statements. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves, Trustees will take into account the following:

- one month's salary costs (cross-Trust);
- the Academy Trust's annual budget;
- the need for any large project spend such as premises development or building condition needs;
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the academies' funding and its expiry
- date; and
- anticipated funding over the next three years.

Principal Risks and Uncertainties

Risks are assessed through the Finance Committee, which has created a Central Risk Register. Internal controls are evaluated independently through the appointment of Integra who perform an annual Internal Audit programme.

Risk	Mitigation
<p>Safeguarding concerns: death or serious injury of child; kidnapped or missing child; child abuse by staff, parents, volunteers or from within the school community.</p>	<ul style="list-style-type: none"> - Well communicated, robust and comprehensive safeguarding procedures and policies. - Designated Safeguarding Person across the Academy Trust responsible for embedding and maintaining safeguarding arrangements across academies. - Financial resources and training allocated to ensure all staff - particularly those with additional safeguarding responsibilities - have sufficient expertise to fulfil role. - Single Central Records maintained by all academies across the Academy Trust . - Schools maintain constant communication with parents, the local community and other professionals. - Building access controls, site security and visitor arrangements reduce risk of unauthorised personnel entering the site. - Business Continuity Plan and other emergency procedures provide a detailed response plan in the case of emergency. - Robust repairs and maintenance programme in place across all schools.
<p>Achievement of pupils is compromised.</p>	<ul style="list-style-type: none"> - Recruitment and retention of staff through strong and respected brand; Pay Policy; capacity for growth and progression; high quality CPD offer; and distributed leadership. - Strategic Planning by Trust centrally and School Improvement Plans ensuring that capacity and resources are allocated and deployed in a focussed and coordinated manner. - Leadership teams held accountable for their performance against the SIP and Strategic Plan. - Succession and capacity planning central to strategic planning. <p>Robust data analysis processes in place to identify potential gaps in academic performance</p> <ul style="list-style-type: none"> - CEO has dedicated Trust-wide role allowing enhanced school performance support.

Risk	Mitigation
Loss of key members of staff.	<ul style="list-style-type: none"> - Early identification and monitoring of promising Trust staff. - Clear recruitment and retention strategies: promotion of Trust brand, exceptional CPD offer, opportunities for progression and professional development, etc. - Communication of staff strategies across staffing bodies and wider area. - Pay Policy regularly reviewed to ensure our terms and conditions support staff retention
Recruitment concerns: inability to recruit appropriately skilled staff or inappropriate recruitment decisions.	<ul style="list-style-type: none"> - Robust recruitment processes with a clear understanding of required skills. - Clear ethos and outstanding offer to applicants. - Strategic planning that anticipates recruitment challenges and adopts flexible approaches to Trust-wide staffing. - Promotion of Endeavour Academy Trust brand and confident, clear vision. - Improved staff facilities across the Academy Trust.
Strains to leadership capacity result in an inability to secure effective school improvement at new schools and maintain the standards of education at existing schools across the Academy Trust.	<ul style="list-style-type: none"> - Staff developed and nurtured to become home-grown Trust leaders. - Shared leadership capacity across the Academy Trust to address temporary capacity concerns. - Where external recruitment is required the Academy Trust 's reputation and the quality of recruitment materials draw the highest quality applicants. - Clear succession plans are in place, supported by the appraisal process.
Shortage of Board members and local Trustees: workload spread across too few individuals, lack of requisite skills and experience, lack of confidence to carry out the role.	<ul style="list-style-type: none"> - High profile recruitment and marketing strategies with clarity of roles and responsibilities for Board and LGB members. - Consider temporary overstaffing to reduce impact of recruitment fluctuations. - Rotate roles and be aware of individuals assuming excessive responsibilities. - Continuous self-assessment processes. - Vacancies are published with local employers, as relevant.
Lack of compliance with statutory and other requirements, data protection weakness.	<ul style="list-style-type: none"> - Experienced business team continuously working to ensure compliance across the organisation. - Compliance team structure in place: Compliance Link Trustee, Head of Compliance, Compliance Officer & Compliance Assistant (future role). - GDPR preparations under way. - Appraisal targets cover compliance for relevant colleagues and training is provided.
Financial concerns relating to organisational growth; delays in process of new schools joining the Academy Trust.	<ul style="list-style-type: none"> - Due diligence processes including a full audit of any potential new school. Any major concerns to be addressed before the Academy Trust becomes legally responsible. - Financial planning sets out minimum number of schools and central costs for organisation to be financially viable and sustainable. - Cost saving through pooled resources and collaborative procurement wherever possible. - Trust's 'emergency fund' to protect schools against unforeseeable financial risk; consideration of loan arrangements where relevant. - Compensation as part of indemnity agreement.
Reduction in funding: Pupil Premium, changes arising from the National Funding Formula, etc.	<ul style="list-style-type: none"> - SBMs to stay abreast of national developments in education funding and set annual and 5-year budgets to project and prepare for decreases accordingly. - Budget-setting to incorporate allocations for reasonably foreseeable circumstances (structural repairs, projected fall in pupil numbers, etc.).. - In school reserves and central Trust reserves to be used to smooth transitions where required. - Growth of Trust to ensure financially viable and sustainable structures. - Budget monitoring report includes budget forecast information.

Fundraising

Fundraising practices raise a relatively small proportion of the Trust's income. Fundraising activities include, but are not limited to:

- funding bids from government and non-government funding bodies;
- school fairs;
- Parent Teacher Associations (PTAs)/similar local bodies associated with the Trust; and
- donations sought from local bodies.

Fundraising activities are carried out by Trust staff or professionals, such as consultants or specialists appointed to conduct funding bids in relation to specific funding opportunities, on behalf of the Trust.

Wherever possible, Trust staff or individuals acting on behalf of the Trust pursue advertised funding opportunities by the routes required by the funder. Where this is not possible, for example in the case of fundraising within the schools' local communities, members of the Trust community are invited to take part in fundraising activities (such as school fairs) in line with relevant data protection legislation.

The Trust is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising. The Trust has not received any complaints in relation to its fundraising activities.

Under no circumstances does the Trust use personal data to pursue fundraising opportunities where explicit consent to do so has not been given by the awarding body/individual. Outside of fundraising events (such as school fairs), the Trust does not approach specific individuals/organisations for the purposes of soliciting or otherwise procuring money or property unless the individual/organisation has publicised a funding opportunity and invited applications accordingly.

Plans for the Future

Since incorporation, Endeavour Academy Trust has gone through a period of consolidation. 2018-19 has been a successful year for the Academy Trust and we are now in a position to prepare for future expansion through the opening of Charlton Wood Primary Academy which took place on 1 September 2019. A new CEO and CFO are in place and the Trust Board has welcomed several new members who bring significant skills.

Funds Held as Custodian Trustee on Behalf of Others

None.

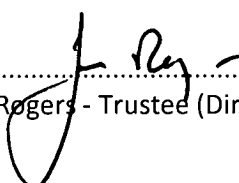
AUDITORS:

The contract with auditors, Moore (formerly Moore Stephens), has been in place for three years. The Members have instructed the Trustees to begin the process of appointment.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy Trust's auditors are unaware; and
- the 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.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the Company Directors, on ...10 December 2019... and signed on the Board's behalf by:


.....
J Rogers - Trustee (Director)

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jane Rogers (Chair)	7	7
Tom Sanday	6	7
Graeme Guthrie (Vice Chair)	6	7
Barbara Daykin (CEO & Accounting Officer, retired 22 April 2019)	5	5
Shirley Clarke (CEO & Accounting Officer, appointed 23 April 2019)	2	2
Caroline Arnold (resigned 8 October 2018)	0	0
Rebecca Williams (resigned 12 May 2019)	3	5
Mehjabeen Patrick	3	7
Ian McKay (appointed 2 April 2019)	3	3
David Haydock (appointed 20 June 2019)	2	2

Governance Reviews

Board and committee members participated in a self-evaluation of governance exercise at the end of the summer term. The analysis and resulting recommendations and/or action plan will be reported to the Board of Trustees in 2019-20

The Finance Committee is a sub-committee of the main Board of Trustees and is responsible for:

- ensuring the financial health of the company;
- ensuring appropriate independent checking of internal financial controls, systems, transactions and risks;
- carrying out the functions of an audit committee.

During the year, the Chief Financial Officer reported to the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Tom Sanday (Trustee, Chair)	6	6
Barbara Daykin (CEO & Accounting Officer, retired 22 April 2019)	4	4
Shirley Clarke (CEO & Accounting Officer, appointed 23 April 2019)	2	2
Tom Lewis-White (CFO, resigned 1 January 2019)	2	2
Jane Rogers (Trustee)	6	6
Graeme Guthrie (Trustee)	4	6
Mehjabeen Patrick (Trustee, Vice Chair)	5	6
Ian McKay (Trustee)	2	2
David Haydock (Trustee)	1	1
Stephanie Root (FC member & HCPA Co-Chair)	2	2

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.

Review of Value for Money

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 available. The Accounting Officer for the Academy Trust has delivered improved value for money over the year by:

- Ensuring that all funds are spent in line with agreed budgets that reflect the educational priorities of the schools;
- Ensuring that the Academy Trust maintains an appropriate level of cash reserves and that funding is spent on the pupils for which it are intended;
- Overseeing the continual review of expenditure to ensure that its benefit is being felt by pupils and, where it is not, taking appropriate action;
- Ensuring that improved outcomes for pupils is at the heart of the Academy Trust's business management function;
- Ensuring that processes and staff are in place that promote best practice procurement procedures;
- Benchmarking expenditure - including staff remuneration - against that of other schools.

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 has put in place a process for identifying, evaluating and managing the Academy Trust's significant risks. This process will be regularly reviewed by the Board.

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;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has again appointed Integral as the Internal Auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Risk Management
- Expenditure Transaction Testing
- Data Protection, Information Security & Freedom of Information
- Business Continuity & Disaster Recovery

The Internal Auditor reports to the Board of Trustees, through the Finance Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

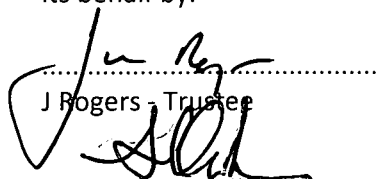
Review of Effectiveness


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

- the work of the external and internal auditors;
- the work of the Executive Leadership Team within the Academy Trust who have responsibility for the development, implementation and evaluation 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 as undertaken by the External Auditors and reviewed by the Finance Committee. No significant weaknesses in the internal control systems of the academies in the Academy Trust prior to the summer term were identified. A number of other areas for improvement were identified and a plan to address these weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by:


J Rogers - Trustee


S Clarke – Chief Executive & Accounting Officer

Endeavour Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019

As accounting officer of Endeavour Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



.....
S Clarke – Accounting Officer

Date: 10/12/19.....

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2019

The Academy Trustees (who act as Trustees for charitable activities of Endeavour Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Academy Trustees to prepare financial statements for each financial year. Under company law the Academy 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 Academy Trustees are required to:

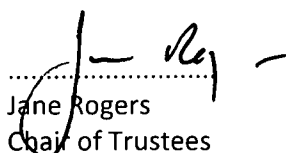
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

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

The Academy 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 10/12/19 and signed on its behalf by:


Jane Rogers
Chair of Trustees

Report of the Independent Auditors to the Members of
Endeavour Academy Trust

Opinion

We have audited the financial statements of Endeavour Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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' and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Report of the Independent Auditors to the Members of Endeavour Academy Trust

Other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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

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

Report of the Independent Auditors to the Members of
Endeavour Academy Trust

Use of our report

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



Daniel Slocombe (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 17th December 2011

Independent Reporting Accountant's Assurance Report on Regularity to Endeavour Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Endeavour Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the 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 but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the schools' purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by Staff, Headteacher or Trustees;
- Reviewing the procedures for identifying and declaring related parties and other business interests;

Independent Reporting Accountant's Assurance Report on Regularity to
Endeavour Academy Trust and the Education and Skills Funding Agency

- Obtaining formal representation from the Board of Trustees and Accounting Officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries, obtaining supporting documentation and making further enquiries into any such items where relevant.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore

Moore
Chartered Accountants
30 Gay Street
Bath
BA1 2PA

Date: *17th December 2019*

Endeavour Academy Trust

Statement of Financial Activities
for the Year Ended 31 August 2019

		Unrestricted funds £	Restricted funds £	Restricted Fixed Asset £	31.8.19 Total funds £	31.8.18 Total funds £
Notes						
INCOME AND						
ENDOWMENTS FROM						
Donations and capital grants	2	10,658	-	321,751	332,409	1,289,095
Transfer from Local Authority on conversion		-	-	8,178,829	8,178,829	990,479
Charitable activities						
Funding for the Academy Trust's educational operations	3	-	5,548,688	-	5,548,688	4,575,453
Other trading activities	4	279,467	-	-	279,467	186,303
Investment income	5	530	-	-	530	443
Total		290,655	5,548,688	8,500,580	14,339,923	7,041,773
EXPENDITURE ON						
Raising funds	7	404,545	23,728	-	428,273	220,040
Charitable activities						
Academy Trust's educational operations		126,081	5,424,571	351,877	5,902,529	5,019,034
Total	6	530,626	5,448,299	351,877	6,330,802	5,239,474
NET						
INCOME/(EXPENDITURE)						
		(239,971)	100,389	8,148,703	8,009,121	1,802,299
Transfers between funds	22	316,468	(686,322)	369,854	-	-
Other recognised						
gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(1,327,000)	-	(1,327,000)	341,000
Net movement in funds		76,497	(1,912,933)	8,518,557	6,682,121	2,143,299

Statement of Financial Activities - continued
for the Year Ended 31 August 2019

				31.8.19	31.8.18	
	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset £	Total funds £	Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		97,755	(2,321,405)	12,223,842	10,000,192	7,856,893
TOTAL FUNDS CARRIED FORWARD		174,252	(4,234,338)	20,742,399	16,682,313	10,000,192

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Endeavour Academy Trust

Statement of Financial Position

At 31 August 2019

	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Intangible assets	14	1,196	2,468
Tangible assets	15	<u>20,676,853</u>	<u>11,769,314</u>
		20,678,049	11,771,782
CURRENT ASSETS			
Stocks	16	1,366	2,823
Debtors	17	348,757	860,825
Cash at bank		<u>716,937</u>	<u>767,069</u>
		1,067,060	1,630,717
CREDITORS			
Amounts falling due within one year	18	(322,796)	(424,307)
NET CURRENT ASSETS		<u>744,264</u>	<u>1,206,410</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,422,313	12,978,192
PENSION LIABILITY	23	(4,740,000)	(2,978,000)
NET ASSETS		<u><u>16,682,313</u></u>	<u><u>10,000,192</u></u>

Endeavour Academy Trust

Statement of Financial Position - continued
At 31 August 2019

	Notes	31.8.19 £	31.8.18 £
FUNDS	22		
Unrestricted funds		174,253	97,755
Restricted funds:			
School Funds			
Central Services		39,401	69,443
Little Mead Primary Academy (ii)		122,407	31,279
Henbury Court Primary Academy (ii)		130,653	290,597
Fonthill Primary Academy		212,096	220,526
Charlton Wood Primary Academy		1,105	-
Private (v)		-	44,750
Pensions Reserve (vi)		<u>(4,740,000)</u>	<u>(2,978,000)</u>
		<u>(4,234,338)</u>	<u>(2,321,405)</u>
Fixed Asset Funds			
Transferred from LA		17,669,005	9,617,234
Other capital grants		1,724,680	1,536,199
Capital Expenditure from GAG		<u>1,348,713</u>	<u>1,070,409</u>
		<u>20,742,398</u>	<u>12,223,842</u>
TOTAL FUNDS		<u><u>16,682,313</u></u>	<u><u>10,000,192</u></u>

The financial statements were approved by the Board of Trustees on 10 December 2019 and were signed on its behalf by:

.....
Trustee

JANE ROGERS
CHAIR OF TRUSTEES

Statement of Cash Flows
for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities:			
Cash generated from operations	26	674,537	780,834
Interest paid		<u>(39)</u>	<u>(32)</u>
Net cash provided by (used in) operating activities		<u>674,498</u>	<u>780,802</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	(1,640)
Purchase of tangible fixed assets		(1,046,380)	(1,606,182)
Capital grants from DfE/ESFA		321,750	763,713
Sale of tangible fixed assets		<u>-</u>	<u>3,944</u>
Net cash provided by (used in) investing activities		<u>(724,630)</u>	<u>(840,165)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(50,132)	(59,363)
Cash and cash equivalents at the beginning of the reporting period		<u>767,069</u>	<u>826,432</u>
Cash and cash equivalents at the end of the reporting period		<u><u>719,937</u></u>	<u><u>767,069</u></u>

26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.19 £	31.8.18 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,009,121	1,802,299
Adjustments for:		
Depreciation	318,948	284,391
Capital grants from DfE/ESFA	(321,750)	(763,713)
Transfer from Local Authority on conversion	(8,178,829)	(990,479)
Interest paid	39	32
Decrease in stocks	1,457	1,893
Decrease/(increase) in debtors	512,068	(412,739)
Decrease in creditors	(101,517)	(850)
Difference between pension charge and cash contributions	<u>435,000</u>	<u>860,000</u>
Net cash provided by (used in) operating activities	<u><u>674,537</u></u>	<u><u>780,834</u></u>

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company 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.

Income

All income is recognised in the Statement of Financial Activities once the Academy Trust has entitlement to the funds, it is probable that the income will be received 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.

1. ACCOUNTING POLICIES - continued

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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

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.

- Expenditure on Raising Funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- Charitable Activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £1,000 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

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

Leasehold Buildings	50 Years
Fittings and equipment	5 Years
ICT Equipment	3 Years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

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 basis 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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank:

Cash 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 notes 17 and 18. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the ESFA, DfE and other donors 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 ESFA, DfE and other donors.

Liabilities

Liabilities 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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at 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. ACCOUNTING POLICIES - continued

Pensions benefits

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and assumptions

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

Critical accounting estimates and assumptions

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Donations	10,658	-	10,658	7,082
Grants	-	321,751	321,751	1,282,013
	<u>10,658</u>	<u>321,751</u>	<u>332,409</u>	<u>1,289,095</u>

Grants received, included in the above, are as follows:

	31.8.19 £	31.8.18 £
Other DfE/ESFA Grants	-	518,300
Other DfE/ESFA Grants	<u>321,751</u>	<u>763,713</u>
	<u>321,751</u>	<u>1,282,013</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	4,273,445	4,273,445	3,483,023
Other DfE/ESFA Grants	<u>-</u>	<u>730,814</u>	<u>730,814</u>	<u>576,121</u>
	-	5,004,259	5,004,259	4,059,144
Other government grant				
Local authority revenue grants	<u>-</u>	<u>544,429</u>	<u>544,429</u>	<u>516,309</u>
	<u>-</u>	<u>5,548,688</u>	<u>5,548,688</u>	<u>4,575,453</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Residential and trips	44,101	-	44,101	55,023
Other incoming resources	<u>235,366</u>	<u>-</u>	<u>235,366</u>	<u>131,280</u>
	<u>279,467</u>	<u>-</u>	<u>279,467</u>	<u>186,303</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Short term deposits	<u>530</u>	<u>-</u>	<u>530</u>	<u>443</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

6. EXPENDITURE

				31.8.19	31.8.18
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Raising funds					
Costs of fundraising					
Direct costs	-	-	80,896	80,896	68,276
Allocated support costs	210,418	6,473	129,023	345,914	151,867
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	1,463	1,463	297
Charitable activities					
Academies educational operations					
Direct costs	3,755,850	129,030	296,517	4,181,397	3,535,078
Allocated support costs	<u>1,040,596</u>	<u>363,365</u>	<u>317,171</u>	<u>1,721,132</u>	<u>1,483,956</u>
	<u>5,006,864</u>	<u>498,868</u>	<u>825,070</u>	<u>6,330,802</u>	<u>5,239,474</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£	£
Auditors' remuneration	11,640	9,550
Internal audit services	-	1,338
Depreciation - owned assets	317,670	283,165
Computer software amortisation	<u>1,272</u>	<u>1,226</u>

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds	Restricted funds	31.8.19 Total funds	31.8.18 Total funds
	£	£	£	£
Bad debts	<u>-</u>	<u>1,463</u>	<u>1,463</u>	<u>297</u>

8. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Direct costs	126,081	4,055,316	4,181,397	3,535,078
Support costs	-	1,721,132	1,721,132	1,483,956
	<u>126,081</u>	<u>5,776,448</u>	<u>5,902,529</u>	<u>5,019,034</u>

	31.8.19 Total £	31.8.18 Total £
Analysis of support costs		
Support staff costs	1,040,596	944,766
Depreciation	41,276	32,057
Telephone & internet costs	15,326	12,702
Premises costs	363,365	279,149
Other support costs	248,051	201,726
Governance costs	<u>12,518</u>	<u>13,556</u>
Total support costs	<u>1,721,132</u>	<u>1,483,956</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 August 2019 nor for the year ended 31 August 2018.

The CEO is the only staff Trustee. Remuneration is paid in respect of services provided undertaking the role of CEO, and not in respect of services as Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

B Daykin (CEO and Trustee) until April 2019

Remuneration: £60,000 - £70,000 (2018: £80,000 - £90,000)

Employer's Pension Contributions: £5,000 - £10,000 (2018: £10,000 - £15,000)

S Clarke (CEO and Trustee) from April 2019

Remuneration: £30,000 - £40,000 (2018: £Nil)

Employer's Pension Contributions: £Nil - £5,000 (2018: £Nil)

During the period ended 31 August 2019, expenses were reimbursed to Trustees totalling £697 (2018: £995).

Other related party transactions involving the Trustees are set out in note 24.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

10. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	3,676,108	3,007,163
Social security costs	307,466	247,082
Operating costs of defined benefit pension schemes	<u>988,649</u>	<u>737,231</u>
	4,972,223	3,991,476
Supply teacher costs	<u>34,641</u>	<u>83,416</u>
	<u><u>5,006,864</u></u>	<u><u>4,074,892</u></u>

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

	31.8.19	31.8.18
Teachers	44	51
Administration and support	74	75
Management	<u>11</u>	<u>14</u>
	<u><u>129</u></u>	<u><u>140</u></u>

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

	31.8.19	31.8.18
£60,001 - £70,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2019, pension contributions for this staff member amounted to £9,971 (2018: £14,959)

The senior management team of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £586,582 (2018: £503,921).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal practice the Academy Trust is a member of the DfE's Risk Protection Arrangement. This provides Governors' Liability cover up to £10,000,000 on any one loss in any one membership year and the cost for the period ended 31 August 2019 was £1,643 (2018: £1,600). The cost of this is included in the total insurance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	7,082	-	1,282,013	1,289,095
Transfer from Local Authority on conversion	-	(370,782)	1,361,261	990,479
Charitable activities				
Funding for the Academy Trust's educational operations	-	4,575,453	-	4,575,453
Other trading activities	186,303	-	-	186,303
Investment income	443	-	-	443
Total	193,828	4,204,671	2,643,274	7,041,773
EXPENDITURE ON				
Raising funds	58,274	10,299	-	68,573
Charitable activities				
Academy Trust's educational operations	174,632	4,711,878	284,391	5,170,901
Total	232,906	4,722,177	284,391	5,239,474
NET INCOME/(EXPENDITURE)	(39,078)	(517,506)	2,358,883	1,802,299
Transfers between funds	-	(209,921)	209,921	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	341,000	-	341,000
Net movement in funds	(39,078)	(386,427)	2,568,804	2,143,299
RECONCILIATION OF FUNDS				
Total funds brought forward	136,833	(1,934,978)	9,655,038	7,856,893
TOTAL FUNDS CARRIED FORWARD	97,755	(2,321,405)	12,223,842	10,000,192

13. CENTRAL SERVICES

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

- administration services
- audit services
- catering services
- data protection
- educational support
- financial services
- governance
- health and safety
- human resources
- insurance
- legal services
- professional development

The Academy Trust charges for these services on the following basis:

- flat percentage of 7% of GAG income (except for catering services)
- catering services are charged per meal served

The actual amounts charged during the year were as follows:

	2019	2018
	£000	£000
Henbury Court Primary Academy	210,295	197,482
Little Mead Primary Academy	252,126	213,787
Fonthill Primary Academy	109,089	7,783
	<u>571,510</u>	<u>419,052</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 September 2018	<u>3,815</u>
AMORTISATION	
At 1 September 2018	1,347
Charge for year	<u>1,272</u>
At 31 August 2019	<u>2,619</u>
NET BOOK VALUE	
At 31 August 2019	<u>1,196</u>
At 31 August 2018	<u>2,468</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2018	12,133,247	519,428	354,032	13,006,707
Additions	9,042,542	83,289	99,378	9,225,209
Disposals	-	(1,884)	(92,000)	(93,884)
At 31 August 2019	<u>21,175,789</u>	<u>600,833</u>	<u>361,410</u>	<u>22,138,032</u>
DEPRECIATION				
At 1 September 2018	675,690	312,019	249,684	1,237,393
Charge for year	184,329	62,306	71,035	317,670
Eliminated on disposal	-	(1,884)	(92,000)	(93,884)
At 31 August 2019	<u>860,019</u>	<u>372,441</u>	<u>228,719</u>	<u>1,461,179</u>
NET BOOK VALUE				
At 31 August 2019	<u>20,315,770</u>	<u>228,392</u>	<u>132,691</u>	<u>20,676,853</u>
At 31 August 2018	<u>11,457,557</u>	<u>207,409</u>	<u>104,348</u>	<u>11,769,314</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

16. STOCKS

	31.8.19	31.8.18
	£	£
Clothing	<u>1,366</u>	<u>2,823</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade debtors	83,841	258,030
Other debtors	75,716	65,291
Prepayments and accrued income	<u>189,200</u>	<u>537,504</u>
	<u>348,757</u>	<u>860,825</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	311	223,672
Other creditors	76,933	72,793
Accruals and deferred income	<u>245,552</u>	<u>127,842</u>
	<u>322,796</u>	<u>424,307</u>

Deferred Income

	2019	2018
	£	£
Deferred income at 1 September	58,229	64,952
Resources deferred in the year	85,562	58,229
Amounts released from previous years	(58,229)	(64,952)
Deferred income at 31 August	85,562	58,229

At the balance sheet date the School was holding funds received in advance for the Universal Infant Free School Meals and Devolved Formula Grant.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19	31.8.18
	£	£
Within one year	1,826	2,081
Between one and five years	<u>1,271</u>	<u>3,097</u>
	<u>3,097</u>	<u>5,178</u>

20. 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.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted Fixed Asset	31.8.19 Total funds
	£	£	£	£
Fixed assets	-	-	20,678,049	20,678,049
Current assets	174,253	828,458	64,349	1,067,060
Current liabilities	-	(322,796)	-	(322,796)
Pension liability	-	(4,740,000)	-	(4,740,000)
	<u>174,253</u>	<u>(4,234,338)</u>	<u>20,742,398</u>	<u>16,682,313</u>

Comparative information in respect of the preceeding period is as follows:

	Unrestricted funds	Restricted funds	Restricted Fixed Asset	31.8.18 Total funds
	£	£	£	£
Fixed assets	-	-	11,771,782	11,771,782
Current assets	97,755	1,080,902	452,060	1,630,717
Current liabilities	-	(424,307)	-	(424,307)
Pension liability	-	(2,978,000)	-	(2,978,000)
	<u>97,755</u>	<u>(2,321,405)</u>	<u>12,223,842</u>	<u>10,000,192</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
Designated Funds (i)	97,755	(97,755)	-	-
Unrestricted Funds	-	(142,215)	316,468	174,253
	97,755	(239,970)	316,468	174,253
Restricted funds				
School Funds				
Central Services	69,443	(283,934)	253,892	39,401
Little Mead Primary Academy (ii)	31,279	400,116	(308,988)	122,407
Henbury Court Primary Academy (ii)	290,597	308,939	(468,883)	130,653
Fonthill Primary Academy	220,526	153,913	(162,343)	212,096
Charlton Wood Primary Academy	-	1,105	-	1,105
Private (v)	44,750	(44,750)	-	-
Pensions Reserve (vi)	(2,978,000)	(1,762,000)	-	(4,740,000)
	(2,321,405)	(1,226,611)	(686,322)	(4,234,388)
Fixed Asset Funds				
Transferred from LA	9,617,234	8,051,771	-	17,669,005
Other capital grants	1,536,199	188,481	-	1,724,680
Capital Expenditure from GAG	1,070,409	(91,550)	369,854	1,348,713
	12,223,842	8,148,702	369,854	20,742,398
TOTAL FUNDS	10,000,192	6,682,121	-	16,682,313

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Designated Funds (i)	10,622	(108,377)	-	(97,755)
Unrestricted Funds	280,033	(422,248)	-	(142,215)
	290,655	(530,625)	-	(239,970)
Restricted funds				
School Funds				
Little Mead Primary Academy (ii)	1,754,823	(1,354,707)	-	400,116
Henbury Court Primary Academy (ii)	1,587,162	(1,278,223)	-	308,939
Fonthill Primary Academy	931,460	(777,547)	-	153,913
Other grants received (iii)	730,814	(730,814)	-	-
Other Government grants (iv)	544,429	(544,429)	-	-
Pensions Reserve (vi)	-	(435,000)	(1,327,000)	(1,762,000)
Central Services	-	(283,934)	-	(283,934)
Charlton Wood Primary Academy	-	1,105	-	1,105
Private (v)	-	(44,750)	-	(44,750)
	5,548,688	(5,448,299)	(1,327,000)	(1,226,611)
Fixed Asset Funds				
Transferred from LA	8,178,829	(127,058)	-	8,051,771
Other capital grants	321,751	(133,270)	-	188,481
Capital Expenditure from GAG	-	(91,550)	-	(91,550)
	8,500,580	(351,878)	-	8,148,702
TOTAL FUNDS	14,339,923	(6,330,802)	(1,327,000)	6,682,121

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
Designated Funds (i)	136,833	(39,078)	-	97,755
Restricted Funds				
School Funds				
Central Services	107,505	(747,149)	709,087	69,443
Little Mead Primary Academy (ii)	147,448	330,853	(447,022)	31,279
Henbury Court Primary Academy (ii)	224,319	545,471	(479,193)	290,597
Fonthill Primary Academy	-	213,319	7,207	220,526
Private (v)	44,750	-	-	44,750
Pensions Reserve (vi)	<u>(2,459,000)</u>	<u>(519,000)</u>	<u>-</u>	<u>(2,978,000)</u>
	<u>(1,934,978)</u>	<u>(176,506)</u>	<u>(209,921)</u>	<u>(2,321,45)</u>
Fixed Asset Funds				
Transferred from LA	8,364,188	1,253,046	-	9,617,234
Other capital grants	273,702	1,262,497	-	1,536,199
Capital Expenditure from GAG	<u>1,017,148</u>	<u>(156,660)</u>	<u>209,921</u>	<u>1,070,409</u>
	<u>9,655,148</u>	<u>2,358,883</u>	<u>209,921</u>	<u>12,223,842</u>
TOTAL FUNDS	<u><u>7,856,893</u></u>	<u><u>2,143,299</u></u>	<u><u>-</u></u>	<u><u>10,000,192</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Designated Funds (i)	55,023	(94,101)	-	(39,078)
Unrestricted Funds	138,805	(138,805)	-	-
	193,828	(232,906)	-	(39,078)
Restricted funds				
School Funds				
Central Services	-	(747,149)	-	(747,149)
Little Mead Primary Academy (ii)	1,757,356	(1,426,503)	-	330,853
Henbury Court Primary Academy (ii)	1,570,748	(1,025,277)	-	545,471
Fonthill Primary Academy	348,137	(134,818)	-	213,319
Other grants received (iii)	576,121	(576,121)	-	-
Other Government grants (iv)	516,309	(516,309)	-	-
Pensions Reserve (vi)	(564,000)	(296,000)	341,000	(519,000)
	5,565,932	(4,840,392)	341,000	1,066,540
Fixed Asset Funds				
Transferred from LA	1,361,261	(108,215)	-	1,253,046
Other capital grants	1,282,013	(19,516)	-	1,262,497
Capital Expenditure from GAG	-	(156,660)	-	(156,660)
	1,282,013	(176,176)	-	1,105,837
TOTAL FUNDS	7,041,773	(5,239,474)	341,000	2,143,299

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS - continued

Notes

(i) Designated funds consists mainly of income generated from catering facilities and lettings income.

(ii) Under the funding agreement with the Secretary of State, neither academy in the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

(iii) Consists of various other grants for specific purposes, all of which were satisfied by the year end.

(iv) Funding received from the Local Authority specifically for providing education to students with Special Educational Needs.

(v) Private funds consists of income received from pupils for uniforms, photographs, and other sundry income streams.

(vi) The pension reserve represents the liability for staff pensions under the Local Government Pension Scheme, as discussed at note 23.

(vii) Net assets (including pension deficit) transferred to the Academy Trust from the Local Authority on conversion, to be used in achieving the objectives of the Trust.

Total funds analysis by Academy

Fund balances at 31 August were allocated as follows:

	2019 £	2018 £
Henbury Court Primary Academy	192,848	364,137
Little Mead Primary Academy	124,755	91,862
Fonthill Primary Academy	321,262	220,526
Charlton Wood Primary Academy	1,649	-
Central Services	39,400	77,825
Total before fixed asset and pension reserve	679,914	754,350
Restricted fixed asset fund	20,742,399	12,223,842
Pension reserve	(4,740,000)	(2,978,000)
Total	16,682,313	10,000,192

Total cost analysis by academy

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. MOVEMENT IN FUNDS – continued

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	2019 Total	2018 Total
	£	£	£	£	£	£
Henbury Court Primary Academy	1,319,290	201,957	46,891	186,092	1,754,230	1,952,685
Little Mead Primary Academy	1,537,249	270,509	51,953	152,239	2,011,950	2,169,617
Fonthill Primary Academy	732,499	126,505	20,986	156,367	1,036,357	193,914
Charlton Wood Primary Academy	-	-	-	-	-	-
Central Services	132,170	304,043	20,123	204,622	660,958	739,718
Academy Trust	3,721,208	903,014	139,953	699,320	5,463,495	5,055,934

23. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. PENSION AND SIMILAR OBLIGATIONS
- continued

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019. The employer's pension costs paid to TPS in the period amounted to £467,244 (2018: £406,627). A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#). Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Present value of funded obligations	(7,162,000)	(4,887,000)
Fair value of plan assets	<u>2,422,000</u>	<u>1,909,000</u>
	<u>(4,740,000)</u>	<u>(2,978,000)</u>
Deficit	<u>(4,740,000)</u>	<u>(2,978,000)</u>
Liability	<u>(4,740,000)</u>	<u>(2,978,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Current service cost	490,000	474,000
Net interest from net defined benefit asset/liability	79,000	60,000
Past service cost	<u>176,000</u>	<u>-</u>
	<u>745,000</u>	<u>534,000</u>
Actual return on plan assets	<u>59,000</u>	<u>39,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Defined benefit obligation	4,887,000	3,819,000
Current service cost	490,000	474,000
Past service cost	176,000	-
Contributions by Scheme Participants	92,000	80,000
Interest cost	138,000	99,000
Benefits paid	(33,000)	(16,000)
Business combinations	-	736,000
Remeasurement of obligations	<u>1,412,000</u>	<u>(305,000)</u>
	<u>7,162,000</u>	<u>4,887,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Fair value of scheme assets	1,909,000	1,360,000
Contributions by employer	318,000	245,000
Contributions by scheme participants	92,000	80,000
Admin Costs	(8,000)	(7,000)
Interest on plan assets	59,000	39,000
Benefits paid	(33,000)	(16,000)
Business combinations	-	172,000
Remeasurement of Assets	<u>85,000</u>	<u>36,000</u>
	<u>2,422,000</u>	<u>1,909,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Remeasurement of obligations	(1,412,000)	305,000
Remeasurement of Assets	<u>85,000</u>	<u>36,000</u>
	<u>(1,327,000)</u>	<u>341,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
Equities	46.8%	39.2%
Government Bonds	0%	11.6%
Other Bonds	10.9%	12.3%
Property	5.5%	9.3%
Cash/Liquidity	1.2%	3.8%
Other	35.6%	23.8%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.19	31.8.18
Discount rate	1.8%	2.8%
Future salary increases	3.5%	3.6%
Future pension increases	2.1%	2.2%
Inflation assumptions (CPI)	2.0%	2.1%

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

	2019	2018
Retiring Today		
Males	23.7	23.6
Females	26.2	26.1
Retiring in 20 years		
Males	26.3	26.2
Females	29.0	28.8

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. PENSION AND SIMILAR OBLIGATIONS
- continued

McCloud Judgment

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to for the LGPS as "McCloud") have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. At this stage it is uncertain whether or not there will be an issue for the LGPS and its employers, nor is it clear what the exact extent would be of any required changes, but this note sets out some approximate effects of the costs if the transitional protections need to be extended to younger members. The Government Actuary's Department (GAD) has carried out some costings of the potential effect of McCloud on the LGPS as a whole, which are set out in their paper dated 10 June 2019. This note uses the results of GAD's costings and should be read in conjunction with their paper. For the LGPS as a whole, GAD's calculations indicate a potential balance sheet effect of additional liabilities of about 3.2% of active member liabilities at 31 March 2019 (around 3.5% of active member liabilities as at 31 August 2019).

The additional past service liabilities charged as past service costs as at 31 August 2019 were £176,000. (3.5% of active member liabilities as at 31 August 2019).

24. RELATED PARTY DISCLOSURES

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

25. ASSETS AND LIABILITIES ACQUIRED FROM TRANSFER FROM LOCAL AUTHORITY

During the year, Charlton Wood Primary Academy, which was a new purpose built academy, joined Endeavour Academy Trust, which is a Multi-Academy Trust.

The assets and liabilities from the acquisition are presented below:

	Value reported by transferring Local Authority	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Leasehold land and buildings	<u>8,178,829</u>	-	<u>8,178,829</u>