

**ENDEAVOUR SCHOOLS TRUST LTD
(FORMERLY REDDITCH WEST SCHOOL TRUST)
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)

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**ENDEAVOUR SCHOOLS TRUST LTD
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

MAT Members	K Lumley C Allen Jones Pete Baker (appointed 1 September 2017) Clare Skinner (appointed 1 January 2018) N Wright (resigned 1 September 2017)
MAT Board Trustees	K Lumley, (Chair of Trustees) ¹ C Allen-Jones, (Vice Chair of Trustees) ¹ J Hughes, (Chair of CCA LGB) ² N Wright, (Executive Headteacher) ¹ J Lumley (appointed 19 January 2018) C Skinner (resigned 31 December 2017) ² C Banks, (Chair of Vaynor LGB) ² T Slater, (Vice Chair of Vaynor LGB) ² ¹ Member ² LGB member
Company registered number	07967402
Company name	Endeavour Schools Trust Ltd
Principal and registered office	Tennyson Road Headless Cross Redditch Worcestershire B97 5BL
Accounting Officer	N Wright
Senior management team	N Wright, Executive Headteacher and Accounting Officer, Redditch West School Trust R Ford, Acting CFOO (Appointed March 2018,) Redditch West School Trust S Dunstan, Headteacher, Vaynor First School S Shakles, Headteacher, Crabbs Cross Academy S Pinfield, HR Advisor (Appointed May 2018), Redditch West School Trust
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc 4 The Cross Worcester Worcestershire WR1 3PY
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and Auditors' Report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary academies for pupils aged 4 to 9 in Redditch, Worcestershire. It's academies have a combined pupil capacity of 750 and had a roll of 683 in the school census on 23 May 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Endeavour Schools Trust Ltd are also the directors of the charitable company for the purposes of company law. The charitable company is known as Endeavour Schools Trust Ltd. During the year, the Academy changed the company name from Redditch West School Trust to Endeavour Schools Trust Ltd.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trade union facility time

There has not been any trade union facility time during the year ended 31 August 2018.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £3,000,000.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The board of trustees of the Multi Academy Trust were appointed on or after September 2013 at the formation of Endeavour Schools Trust Ltd in accordance with the Memorandum and the articles of association.

Trustees are appointed for a four year period, except that this time limit does not apply to the Executive Headteacher or Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**ENDEAVOUR SCHOOLS TRUST LTD
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Induction policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The MAT has a leadership structure which consists of the Trustees and the Executive Head / CEO/ who is also a Trustee and Accounting Officer. The Executive Leadership Team provide strategic and operational support across the schools whilst each individual academy has its own Senior Leadership Team and Key Stage/Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels so that the Trust nurtures the talents of all staff and creates succession planning and sustainability through high quality CPD opportunities.

The Board establishes an overall framework for the governance of the MAT and determines membership, terms of reference and procedures of LGB's (Local governing bodies,) any committees and other groups established. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees, which includes two of the Members; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteachers and Clerk to the Trustees, to approve the Strategic Development Plan and budget.

The Trustees are also responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure, senior and central staff appointments and pay decisions for the executive Leadership team (CEO, CFOO and Headteachers).

The LGB's are responsible for settling specific policies and duties devolved to them and monitoring standards of teaching and learning, feeding their information to the Trustees via the Chairs. They also receive information regarding finance and buildings through the Trustees.

The Executive Leadership Team (ELT) consists of the Executive Headteacher / CEO, Headteacher from each school and the CFOO and HR Advisor. The SLT for each school consists of the Headteacher, Deputy Headteacher, (and in the case of The Vaynor, an Assistant Headteacher) alongside Key Stage Leaders. The ELT controls the Trust at an executive level, implementing the policies laid down by the Trustees with the Executive Head / CEO reporting back to Trustees, and the Headteachers to the LGB's. The Executive Headteacher / CEO, Headteachers and Trust Business Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Finance Policy and scheme of delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the agreed school systems and Finance Policy. The Executive Headteacher / CEO and Headteachers are responsible for the appointment of staff; appointments for senior posts include a Governor and / or Trustee.

The Academy Trust comprises of two First Schools, The Vaynor First School and Crabbs Cross Academy. Each has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust board includes Trustees elected from the Governing Body of each school.

The Executive Headteacher is the Accounting Officer.

**ENDEAVOUR SCHOOLS TRUST LTD
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the senior leadership team comprise the key management personnel of the MAT in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year, for their role as trustee (with the single exception of the Executive Head / CEO).

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

Windmill Nursery has a building on The Trust's grounds and there is a lease in existence between it and the Trust.

The Trust has strong collaborative links with Walkwood Middle School, which is next to The Vaynor First School and which needs egress across the grounds to access its playing fields. The Vaynor is able to use the Middle Schools fields for sporting activities. These links extend to academic ones, along with Crabbs Cross Academy and other local schools, such as TGA Redditch and Astwood Bank Primary. This partnership aims to improve the academic standards of the pupils in our area.

The Vaynor First School is the Principal Sponsor of the Crabbs Cross Academy.

There are no related parties which either control or significantly influence the decisions and operations of Endeavour Schools Trust Ltd.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in Redditch and the surrounding areas, in particular by establishing, maintaining, carrying on, managing and developing schools within the Trust, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company in this period is the operation of The Vaynor First School and Crabbs Cross Academy to provide free education and care for pupils of different abilities between the ages of 4 and 9.

The Trustees set the strategic objectives for the trust and progress against these are reviewed via Executive Head / CEO reports. For last year these were:

- Develop a Trust wide approach to the teaching of "reading into writing" that will drive up standards in English especially in writing for more able and PP children.
- Continue to develop high quality CPD opportunities for all staff so that they can develop a clear ten year career pathway (focus on new staff, NQT and post NQT programmes of support and Teaching Assistants) and so that provision continues to improve.
- "Towards Teaching School" – to continue to improve provision and pupil outcomes in order to build an evidence base upon which to make an application for designation as a Teaching School.
- To seek, consult and recruit appropriate partner schools to join the Trust.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

These are further underpinned by a set of key performance indicators which:

- All pupils are making at least expected progress
- An increasing number of children are making more than expected progress year on year
- 100% of teaching is at least good
- Attendance is at least broadly in line with national

The aims of The Vaynor First School during the period for each child are to:

- become independent, confident, life long learners;
- be happy and friendly;
- excel in all that we do and show a positive attitude;
- be caring and respectful towards others;
- have a strong sense of self worth and belonging;
- be culturally and environmentally aware;
- understand how to maintain a healthy and active lifestyle;
- embrace technological advances; and
- develop the confidence to take a risk and stand up for what we believe in.

The aims of Crabbs Cross Academy during the period for each child are to be:

- inspired to learn;
- inspired to excel;
- inspired to be a good friend and person; and
- inspired to have clear aspirations in life and as a consequence leave school having made excellent progress, being well prepared for moving to the next stage of their education. Importantly, not only will they have achieved educational excellence from their starting point but school will have fostered their individual identities.

Across the Trust we aim to:

- continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- develop the pupils as more effective learners;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to develop the buildings and sites to support pupils growth in every aspect of their time in school;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to develop the leadership, curriculum and teaching standards;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with local schools within the cluster and pyramid;
- to develop the Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Endeavour Schools Trust Ltd we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a cohesive community in which children, staff and parents are part of happy and caring environments. Our vision is to create a climate where everyone is "inspired to excel."

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Vaynor First School is in its seventh full year of operation, whilst Crabbs Cross is in its sixth year. The total number of pupils at The Vaynor First School for the year ended 31 August 2018 was 443 and this has increased to 444 in September 2018.

At Crabbs Cross, the pupil numbers had decreased to 240 for the year ended 31st August 2018, but then increased to 246 in September 2018.

Results for children at The Vaynor First School achieving at or above National Expectations (NE) in the Early Years Foundation Stage in 2018 were higher than local and national, demonstrating that provision is strong, leading to very good outcomes for pupils.

Year 1 Phonics Screening Check results at the end of Year 1 continue to be above national figures at The Vaynor First School.

Results at The Vaynor in KS1 showed an increase on their attainment in Foundation Stage, indicating children making strong progress over time supporting a judgement that pupil outcomes are good. Outcomes in reading, writing and maths at the expected level are above national figures, continuing a trend for high attainment outcomes in KS1. A key area for improvement remains the number of children working at greater depth in writing which is below national.

Ofsted reported in May 16 that "latest information about pupils' achievement and work in pupils' books shows that pupils make good progress in English and Mathematics by the time they leave the school at the end of Year 4." This remains the case this year as supported by the outcome of summative GL assessment in reading and maths.

The Academy is in its fifth year of sponsorship of Crabbs Cross Academy. It has continued to support the work of the school with a range of actions, the main ones being sharing the Executive Headteacher and Chief Finance and Operations Officer. The work undertaken last year on establishing protocols and principles underpinning joint working so that a regular and robust programme of peer to peer support was in place has seen the quality of provision improve again at CCA (this has also had a positive impact for Vaynor). Staff across both settings have worked closely. Despite the greater sense of being part of one whole created through the range of activities undertaken,) the two schools continue to maintain their individual identities therefore continuing to provide our community with choice. This is the philosophy of the Trust.

Results for children at Crabbs Cross continue to build on the improvements in the previous year's achievement for each cohort of children. Therefore outcomes at the end of 2017 –18 show a steady trend over three years and are now broadly in line with national by the end of KS1, thus supporting a view that outcomes are improved and improving.

- Results for the children at Crabbs Cross Academy achieving at or above National Expectations (NE) in the Early Years Foundation Stage in 2017 shows outcomes for pupils which are broadly in line with national figures, from relatively low starting points for the majority children, indicating strong progress over time; they are also an increase on outcomes at the end of EYFS on the previous year.
- The % of pupils reaching the expected standard in phonics in Y1 increased on the previous year (whilst remaining below the national average).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- In Y2 the percentage achieving at nationally expected levels in reading is broadly in line with national; however outcomes in maths and writing are below national comparators. Despite this, the increase in the proportion of pupils reaching and exceeding ARE in EYFS to end of KS1 indicates children are making strong progress over time supporting a judgement that pupil outcomes are good.
- Y4 results over KS2 show an increase in the % achieving at expected levels, and a rise in the proportion achieving at higher levels; This is similarly the case for Y3 who have also made gains on previous proportions working at expected levels and above.
- Except for in phonics, the % achieving the expected standard at the end of EYFS and KS1 is above the national comparator for sponsored academies, suggesting that Crabbs Cross is performing well when compared to other schools with a similar historical background.

Both schools have welcomed parents into many workshops and events to widen communication opportunities between school and home. Partnerships lie at the heart of the Trust's vision and values and there have been many examples of cross school working during the last year – the Trust schools have worked together and with others to moderate outcomes at Yr 2, share good practice and in CPD opportunities for leaders. Some of the schools we have engaged with are:

- Walkwood Academy
- Ridgeway Academy
- Tudor Grange Academy Redditch
- St Peter's Catholic First School
- Our Lady Mount Carmel First School
- Oakhill First School
- Ombersley First School
- Chawson First School

To ensure that standards are continually assessed, the Trust operates a programme of lesson observations and other learning evaluations which are undertaken by Subject Leaders, Middle Management and the Senior Leadership Team as appropriate across the schools. At both schools the Trust also bought in services from external consultants to verify and validate the accuracy of their judgements. Furthermore, other continuing development opportunities are made available to staff, such as the staff across the schools moderated together to ensure standards are sufficiently high enough; there has also been joint staff training, joint learning walks and exemplary teaching has been observed across the Trust in order to share good practise. The executive leadership team meets regularly to ensure standards and expectations are consistently being extended.

During the year the Trust made improvements across its estate:

At The Vaynor First School a mobile reception class has been replaced with a permanent new build classroom.

At Crabbs Cross Academy a successful Condition Improvement Fund application enabled a roof replacement project to go ahead.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) income requires special attention as the amount of GAG income available to carry forward is not restricted under the funding agreement. In the period under review, £767,437 was carried forward representing 30% of GAG income in the year.

As funding is based on pupil numbers this is also a key performance indicator.

At The Vaynor, pupil numbers for August 2018 were 443 this is an decrease of 5 from August 2017, from 448. It is anticipated that this number will rise as our in year PAN has increased from 84 to 90 and this will roll up to maximum capacity of 450.

At Crabbs Cross, pupil numbers for August 2018 were 240, this is an increase of 2 from 2017, from 238. Again numbers are expected to continue rising as parent confidence increases following the "Good" Ofsted rating achieved in July 2015.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Another key financial performance indicator is staffing costs as a percentage of GAG. For the period 1st September 2017 to 31st August 2018 total staff costs were £2,360,368, this represents 75.7% of total income.

The following KPI's were set at the start of the year 2017/18:

KPI	Target	Actual
1 GAG carry forward %age	0.8%	35.9%
2 Pupil to teacher ratio	24 : 1	24 : 1
3 Student attendance	98%	97%
4 Total income per pupil	£4,482	£4,335
5 Total GAG per pupil	£4,106	£3,583
6 Staff cost per pupil	£3,188	£3,185
7 Capital spend per pupil in the year	£114	£253
8 Fixed assets value per pupil	£9,678	£9,069
9 Property repair costs per pupil	£104	£120
10 Cash balances at the year end	£912,292	£1,320,367
11 Net assets at the year end	£6,440,535	£6,517,560

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period 1st September 2017 to 31st August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the period ending 31 August 2018, total expenditure of £3,044,480 was covered by recurrent grant funding from the DfE, together with other incoming resources of £3,118,153. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £73,673.

At 31 August 2018 the net book value of fixed assets was £6,495,366 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

The trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion from Crabbs Cross. The deficit is incorporated within the Statement of Financial Activity with details in note 24 to the financial statements.

The key financial policy reviewed during the year is the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other finance policies in existence, along with the Finance policy are now policies of the Trust and work across both schools.

Trustees have appointed an internal auditor, to undertake a programme of internal checks on the financial controls, one per term. During the year the Trustees received written reports from the internal auditors.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reserves Policy

The Trustees will review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees will take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be £450,000, the equivalent of two months expenditure across the Trust. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, a rise in pupil numbers at Crabbs Cross requiring a further member of staff, staffing absence and the need to increase Special Needs cover should further high needs children be received into the school. The Academy's current level of free reserves is £1,034,531. This is the figure of both the restricted GAG fund and unrestricted funds. Last year the free reserves was stated as both the restricted and unrestricted reserves, excluding the £905,000 pension deficit.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- 10% towards the cost of any successful CIF bid. This would be the curtain walling and boiler replacement at the Vaynor First School and refurbishment of rotting wood and poorly insulated windows at Crabbs Cross Academy.
- The set up cost of a second trust hub to house a growing central team.
- Sufficient funds need to be available to support the Multi Academy Trust's (MAT) plans for growth, therefore funds have been held for this purpose. This is a key priority for the MAT moving forward.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

Due to the current economic climate the Trustees have not been able to locate investment opportunities that will maximise any surplus without tying the funds up to a long period, having sought Independent Financial Advice to support them in this search. The Executive Head and Business Manager were tasked to look into this and have moved £300,000 into short term deposit accounts. The funds are invested in a 32 Day Notice account.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 95.8% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed and that the curriculum inspires pupils. Furthermore, use of advertising and a high profile in the press are amongst strategies being used to raise confidence in Crabbs Cross Academy as places here remain unfilled.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy Trust has appointed an Internal Auditor at each school to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Financial and Risk Management Objectives and Policies

The Academy Trust has agreed a Risk Management Strategy outlined within the Risk Assessment. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Vaynor Academy is over-subscribed, Crabbs Cross is under subscribed and this provides a challenge to the Trust over the next two years due to risks associated to revenue funding from a falling roll. On top of this, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and LGB meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDRAISING

The trust has a positive and active approach to fundraising and has supported many charitable organisations during the year including:

- Macmillan Cancer Support
- Great Ormond Street Hospital
- Save the Children
- Children in need
- Comic relief

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The academies within the Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community, to ensure the best possible outcomes for all.

For the sixth year running, the Trust bid for a Capital Grant at The Vaynor in respect of a rebuild of a Reception classroom. Following notification of an unsuccessful capital funding bid in 2017/18, the Academy commenced construction of new reception classroom. The new class opened in September 2018.

In the five years of sponsoring Crabbs Cross Academy there have been considerable successes, future plans include to further raise attendance levels by decreasing persistent absence; continue improving standards, particularly in phonics; continue our phased refurbishment plan and to explore organisational structures for the future in order to secure long term sustainability (reduced PAN, conversion to primary, introduction of nursery etc).

The Trust has a growth plan in place which is part of a 5 year strategic development plan. This states that the Trust wishes to grow in numbers to 5 schools by 2020. We are actively working towards this target and anticipate the arrival of Chawson First School (April 2019) and St George's CE First School (March 2019). Negotiations are also underway with a fifth school and the Trust hopes to be in a position to move to their induction later in 2019.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Endeavour Schools Trust Academies and its Trustees do not act as the Custodian Trustees of any other Charity.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on and signed on the board's behalf by:



**K Lumley
Chair of Trustees**

5/12/18

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

MAT Board Trustees	Meetings attended	Out of a possible
K Lumley	5	5
C Allen-Jones	5	5
J Hughes	4	4
N Wright	5	5
J Lumley	2	2
C Skinner	2	2
C Banks	5	5
T Slater	3	4

The governance structure is reviewed annually. The Headteacher of each school has created operational plans and reported back at strategic level for trustees to hold them to account.

Both Local Governing Bodies have also undertaken a full self review and have some actions in place to further strengthen accountability, particularly with a view to verification of actions reported through visits to the schools themselves. A further action has been to actively recruit members, both to replace those who, for personal reasons have had to resign during the year, and to enlarge our numbers.

The Trust does not function with committees, all work is delegated from the Trust to the Directors and Local Governing Bodies and information feeds back through to the Directors, two of whom are also the Trust Members.

The Directors have seen the following changes to the composition this year:

Claire Skinner - resigned 31.12.17
Tom Slater - appointed 13.10.17
Jon Hughes - appointed 13.10.17
Joanne Lumley - appointed 19.1.18

Directors have continued to review and refine their systems for receiving reports from the Executive Head, streamlining these to make them more manageable and "fit for purpose" so that when additional schools join the Trust the report is still accessible and relevant. Vision building and planning for such growth has been a key consideration for Directors during this period. The introduction of these systems has meant that the data reports received give an overview for each school and an overall MAT position enabling Directors to see at a glance how well each school is performing and how the MAT overall is performing in comparison to national benchmarks. As a result they are better equipped to be able to ask challenging questions about data and thus hold to account the local governing bodies and Headteachers.

GOVERNANCE STATEMENT (continued)

Directors have due regards to the effectiveness of their own performance and this is monitored by Members via their regular meetings with the Executive Headteacher. Additionally, Directors have engaged in self auditing processes undertaken during the year and have actively discussed succession planning and skills required by the Trust moving forward, planning for future membership based on these processes. This results in a strong board of Directors with the skills needed to lead the Trust in its future endeavours.

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing with procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Reviewing controls and managing risk.
- Deploying staff effectively.

Examples of how the Trust have achieved value for money in the period are:

Both the schools within the trust have received large capital investment during the year. The Vaynor First School has replaced a mobile classroom, that was well beyond its expected life and economic repair, with a permanent building. Crabbs Cross Academy have moved the main pedestrian entrance into the school away from the vehicular access and installed electric gates to strengthen the safeguarding measures at the school.

Continued investment in training and resourcing of EYFS has led to provision being close to outstanding. This has been recognised by the local authority and our settings are being flagged up as an exemplar to visit.

Shared leadership, curriculum training and robust shared moderations has led to raised standards of teaching and learning. As a consequence results across our schools have improved in virtually every area, this is further validated by moderations wider than the schools within the Trust.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Endeavour Schools Trust Ltd for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed:

- Tom Slater, a Trustee of the Vaynor Local Governing Body, Internal Auditor of The Vaynor and Clare Skinner, a trustee of Crabbs Cross Governing Body as Internal Auditor of Crabbs Cross;
- From January 2018 the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems,
- Testing of purchase systems,
- Testing of control account/bank account reconciliations,
- Review of the trust risk register,
- Testing of the trust's websites regarding legal compliance.

On a termly basis, the external auditors report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor's have both undertaken their roles diligently and reported as expected to the appropriate bodies. There were minor issues found, all of which have been rectified.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Internal Auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:



**K Lumley
Chair of Trustees**

5/12/18



**N Wright
Accounting Officer**

5/12/18

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Endeavour Schools Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2017 - 18.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



**N Wright
Accounting Officer**

5/12/18

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**K Lumley
Chair of Trustees**

Date: 5/12/18

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENDEAVOUR SCHOOLS TRUST LTD**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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.

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENDEAVOUR SCHOOLS TRUST LTD**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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'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 or to cease operations, or have no realistic alternative but to do so.

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ENDEAVOUR SCHOOLS TRUST LTD**

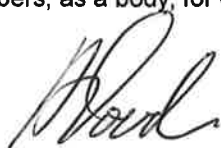
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 19th December 2018

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENDEAVOUR SCHOOLS TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Endeavour Schools Trust Ltd during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Endeavour Schools Trust Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Endeavour Schools Trust Ltd 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 Schools Trust Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ENDEAVOUR SCHOOLS TRUST LTD'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Endeavour Schools Trust Ltd's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy Trust complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

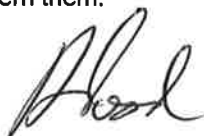
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENDEAVOUR
SCHOOLS TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: *19th December 2018.*

ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	12,763	31,505	159,520	203,788	52,913
Charitable activities	5	24,917	2,843,607	-	2,868,524	2,871,286
Other trading activities	3	43,605	-	-	43,605	47,834
Investments	4	2,236	-	-	2,236	1,935
TOTAL INCOME		83,521	2,875,112	159,520	3,118,153	2,973,968
EXPENDITURE ON:						
Raising funds		9,281	-	-	9,281	9,803
Charitable activities		127,267	2,736,842	171,090	3,035,199	2,938,922
TOTAL EXPENDITURE	6	136,548	2,736,842	171,090	3,044,480	2,948,725
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(53,027)	138,270	(11,570)	73,673	25,243
		-	(355,011)	355,011	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(53,027)	(216,741)	343,441	73,673	25,243
Actuarial gains on defined benefit pension schemes	24	-	196,000	-	196,000	324,000
NET MOVEMENT IN FUNDS		(53,027)	(20,741)	343,441	269,673	349,243
RECONCILIATION OF FUNDS:						
Total funds brought forward		240,502	55,797	6,221,261	6,517,560	6,168,317
TOTAL FUNDS CARRIED FORWARD		187,475	35,056	6,564,702	6,787,233	6,517,560

The notes on pages 27 to 49 form part of these financial statements.

ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07967402

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		6,495,366		6,221,261
CURRENT ASSETS					
Stocks	15	5,087		4,403	
Debtors	16	163,048		103,475	
Cash at bank and in hand		1,366,469		1,320,367	
		<u>1,534,604</u>		<u>1,428,245</u>	
CREDITORS: amounts falling due within one year	17	(430,737)		(226,946)	
NET CURRENT ASSETS			1,103,867		1,201,299
TOTAL ASSETS LESS CURRENT LIABILITIES			7,599,233		7,422,560
Defined benefit pension scheme liability	24		(812,000)		(905,000)
NET ASSETS			6,787,233		6,517,560
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	847,056		960,797	
Fixed asset funds	19	6,564,702		6,221,261	
Restricted funds excluding pension liability		<u>7,411,758</u>		<u>7,182,058</u>	
Pension reserve		<u>(812,000)</u>		<u>(905,000)</u>	
Total restricted funds			6,599,758		6,277,058
Unrestricted funds	19		187,475		240,502
TOTAL FUNDS			6,787,233		6,517,560

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



K Lumley
Chair of Trustees

5/12/18



N Wright
Accounting Officer

5/12/18

The notes on pages 27 to 49 form part of these financial statements.

ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	329,541	249,442
Cash flows from investing activities:			
Interest received		2,236	1,935
Purchase of tangible fixed assets		(445,195)	(26,351)
Capital grants from DfE Group		159,520	15,392
Net cash used in investing activities		(283,439)	(9,024)
Change in cash and cash equivalents in the year		46,102	240,418
Cash and cash equivalents brought forward		1,320,367	1,079,949
Cash and cash equivalents carried forward	22	1,366,469	1,320,367

The notes on pages 27 to 49 form part of these financial statements.

ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Endeavour Schools Trust Ltd constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**ENDEAVOUR SCHOOLS TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 grant are reflected in the balance 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 EXPENDITURE

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long term leasehold property	-	50 years straight line
Motor vehicles	-	4 - 7 years straight line
Office equipment	-	5 - 10 years straight line
Computer equipment	-	3 - 10 years straight line
Land	-	125 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 OPERATING LEASES

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

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

1.11 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 in the Statement of financial activities.

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	12,763	31,505	-	44,268	37,521
Capital Grants	-	-	159,520	159,520	15,392
	12,763	31,505	159,520	203,788	52,913
Total 2017	8,857	28,664	15,392	52,913	

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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	7,862	-	7,862	8,828
Other	35,743	-	35,743	39,006
	<u>43,605</u>	<u>-</u>	<u>43,605</u>	<u>47,834</u>
Total 2017	<u>47,834</u>	<u>-</u>	<u>47,834</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	2,236	-	2,236	1,935
	<u>2,236</u>	<u>-</u>	<u>2,236</u>	
Total 2017	<u>1,935</u>	<u>-</u>	<u>1,935</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	2,542,095	2,542,095	2,458,153
Other DfE/ESFA grants	-	283,483	283,483	289,786
	-	2,825,578	2,825,578	2,747,939
Other Government grants				
Other government grants non capital	-	2,000	2,000	68,000
High needs funding	-	16,029	16,029	32,405
	-	18,029	18,029	100,405
Other funding				
Internal catering income	24,529	-	24,529	22,892
Other	388	-	388	50
	24,917	-	24,917	22,942
	24,917	2,843,607	2,868,524	2,871,286
Total 2017	22,942	2,848,344	2,871,286	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising activities					9,803
Direct costs	-	-	9,281	9,281	-
Support costs	-	-	-	-	-
Education:					
Direct costs	1,966,238	97,732	276,340	2,340,310	2,211,199
Support costs	394,130	98,543	202,216	694,889	727,723
	2,360,368	196,275	487,837	3,044,480	2,948,725
Total 2017	2,185,254	222,152	541,319	2,948,725	

ENDEAVOUR SCHOOLS TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	14,070	11,400
Educational supplies	41,716	55,219
Staff development	24,488	29,385
Other costs	42,681	49,893
Supply teachers	24,886	9,496
Technology costs	12,588	17,609
Educational consultancy	67,439	64,817
Wages and salaries	1,515,701	1,426,311
National insurance	131,706	121,185
Pension cost	293,945	253,753
Depreciation	171,090	172,131
	2,340,310	2,211,199
Total 2017	2,211,199	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	6,930	12,600
Other costs	469	407
Maintenance of premises and equipment	45,293	82,080
Cleaning	13,324	13,729
Rent and rates	16,155	12,282
Energy costs	23,106	19,623
Insurance	37,100	45,821
Security and transport	665	4,161
Catering	59,707	64,124
Technology costs	20,044	14,550
Office overheads	19,505	15,741
Legal and professional	45,282	53,674
Bank interest and charges	1,745	1,949
(Profit) / Loss on disposal of fixed assets	-	1,363
Governance	11,434	11,110
Wages and salaries	283,806	261,415
National insurance	12,219	10,885
Pension cost	98,105	102,209
	694,889	727,723
Total 2017	727,723	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	171,090	172,131
Auditors' remuneration - audit	9,330	9,065
Auditors' remuneration - other services	2,050	2,050
Operating lease rentals	5,001	3,430
	<hr/> <hr/>	<hr/> <hr/>

ENDEAVOUR SCHOOLS TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,799,507	1,687,726
Social security costs	143,925	132,070
Operating costs of defined benefit pension schemes	392,050	355,962
	<u>2,335,482</u>	<u>2,175,758</u>
Agency staff costs	24,886	9,496
	<u><u>2,360,368</u></u>	<u><u>2,185,254</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	28	28
Administration and Support	36	38
Management	5	5
	<u>69</u>	<u>71</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as 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 £589,847 (2017: £532,436).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. CENTRAL SERVICES

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

- Executive Headship
- Accounting and finance
- Insurance
- Professional services

The Academy charges for these services on the following basis:

The Executive Headship and accounting and finance is charged from Vaynor First School to Crabbs Cross Academy based on the proportion of days spent working at Crabbs Cross - with no profit element built in.

Insurance and professional services are charged from Vaynor First School to Crabbs Cross Academy proportionately.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Crabbs Cross Academy	<u>109,084</u>	<u>85,440</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows; N Wright: remuneration £50,000 - £55,000 (2017: £50,000 - £55,000), employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000).

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £265 (2017: £599) were reimbursed to 5 Trustees (2017: 6 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS

	Long term Leasehold Property and Land £	Motor vehicles £	School equipment £	Computer equipment £	Total £
COST					
At 1 September 2017	6,352,955	10,196	385,730	163,903	6,912,784
Additions	377,903	-	63,865	3,427	445,195
At 31 August 2018	6,730,858	10,196	449,595	167,330	7,357,979
DEPRECIATION					
At 1 September 2017	464,583	8,591	103,484	114,865	691,523
Charge for the Year	98,739	506	45,517	26,328	171,090
At 31 August 2018	563,322	9,097	149,001	141,193	862,613
NET BOOK VALUE					
At 31 August 2018	6,167,536	1,099	300,594	26,137	6,495,366
At 31 August 2017	5,888,372	1,605	282,246	49,038	6,221,261

15. STOCKS

	2018 £	2017 £
Educational resources	5,087	4,403

16. DEBTORS

	2018 £	2017 £
Trade debtors	5,747	5,428
Prepayments and accrued income	67,801	80,835
VAT recoverable	89,500	17,212
	163,048	103,475

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	160,778	63,277
Other taxation and social security	34,259	32,614
Other creditors	35,607	34,005
Accruals and deferred income	200,093	97,050
	<u>430,737</u>	<u>226,946</u>
	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	84,315	77,175
Resources deferred during the year	83,556	84,315
Amounts released from previous years	(84,315)	(77,175)
Deferred income at 31 August 2018	<u>83,556</u>	<u>84,315</u>

At the year end, £76,476 has been deferred in respect of Universal Free School Meals, £5,134 in respect of trip income received in advance, and £1,946 respect of catering income received in advance.

18. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	1,366,469	1,320,367
Financial assets measured at amortised cost	46,919	5,428
	<u>1,413,388</u>	<u>1,325,795</u>
Financial liabilities measured at amortised cost	<u>277,315</u>	<u>144,022</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

ENDEAVOUR SCHOOLS TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	240,502	83,521	(136,548)	-	-	187,475
RESTRICTED FUNDS						
General Annual Grant (GAG)	881,733	2,542,095	(2,250,980)	(355,011)	-	817,837
Other DfE/ESFA grants	-	131,101	(131,101)	-	-	-
High Needs funding	-	16,029	(16,029)	-	-	-
Pupil Premium (PP)	-	152,382	(152,382)	-	-	-
Growth Fund	50,400	-	(50,400)	-	-	-
Other grants	-	2,000	(2,000)	-	-	-
Trip income	28,664	31,505	(30,950)	-	-	29,219
Pension reserve	(905,000)	-	(103,000)	-	196,000	(812,000)
	55,797	2,875,112	(2,736,842)	(355,011)	196,000	35,056
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,847,422	-	(97,732)	-	-	5,749,690
Fixed assets purchased from GAG and other restricted funds	184,308	-	(60,882)	355,011	-	478,437
DfE/ESFA Capital grants	3,698	-	(2,037)	-	-	1,661
Other ESFA grants	185,833	159,520	(10,439)	-	-	334,914
	6,221,261	159,520	(171,090)	355,011	-	6,564,702
Total restricted funds	6,277,058	3,034,632	(2,907,932)	-	196,000	6,599,758
Total of funds	6,517,560	3,118,153	(3,044,480)	-	196,000	6,787,233

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £355,011 (2017: £103,722) was transferred to the restricted fixed asset fund to represent fixed asset purchases from GAG.

High Needs funding - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium (PP) - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the students who need it most.

Growth Fund - Grant income from the Department for Education which is to be used to support the growth of the Academy Trust.

ENDEAVOUR SCHOOLS TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

Other grants - Income which has been received for specific purposes.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Trip income - Income received from parents as donations towards school trips for pupils.

RESTRICTED FIXED ASSET FUNDS:

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - This represents capital assets that have been purchased out of restricted GAG funding.

DfE/ESFA Capital grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Other ESFA grants - This represents funding from the ESFA to cover maintenance and purchase of the schools assets, and improve the learning environment in which academies operate.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Vaynor First School	871,203	969,955
Crabbs Cross	117,141	231,344
Central service	46,187	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,034,531	1,201,299
Restricted fixed asset fund	6,564,702	6,221,261
Pension reserve	(812,000)	(905,000)
	<hr/>	<hr/>
Total	6,787,233	6,517,560
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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 deprec'n £	Total 2018 £	Total 2017 £
The Vaynor First School	1,189,484	278,869	26,907	305,718	1,800,978	1,779,374
Crabbs Cross	696,868	86,627	14,234	156,038	953,767	899,220
Central service	-	1,634	575	13,436	15,645	-
	<u>1,886,352</u>	<u>367,130</u>	<u>41,716</u>	<u>475,192</u>	<u>2,770,390</u>	<u>2,678,594</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General Funds	321,484	81,568	162,550	-	-	565,602
RESTRICTED FUNDS						
General Annual Grant (GAG)	665,364	2,458,153	(2,174,890)	(66,894)	-	881,733
Other DfE/ESFA grants	-	132,411	(132,411)	-	-	-
High Needs funding	-	32,405	(32,405)	-	-	-
Pupil Premium (PP)	-	157,375	(157,375)	-	-	-
Growth Fund	-	60,000	(9,600)	-	-	50,400
Other grants	-	8,000	(8,000)	-	-	-
Trip income	-	28,664	-	-	-	28,664
Pension reserve	(1,131,000)	-	(98,000)	-	324,000	(905,000)
	<u>(465,636)</u>	<u>2,877,008</u>	<u>(2,612,681)</u>	<u>(66,894)</u>	<u>324,000</u>	<u>55,797</u>

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19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	5,937,649	-	(90,227)	-	-	5,847,422
Fixed assets purchased from GAG and other restricted funds	183,792	-	(66,378)	66,894	-	184,308
DfE/ESFA Capital grants	5,184	-	(1,486)	-	-	3,698
Other ESFA grants	185,844	15,392	(15,403)	-	-	185,833
	<u>6,312,469</u>	<u>15,392</u>	<u>(173,494)</u>	<u>66,894</u>	<u>-</u>	<u>6,221,261</u>
Total restricted funds	<u>5,846,833</u>	<u>2,892,400</u>	<u>(2,786,175)</u>	<u>-</u>	<u>324,000</u>	<u>6,277,058</u>
Total of funds	<u>6,168,317</u>	<u>2,973,968</u>	<u>(2,623,625)</u>	<u>-</u>	<u>324,000</u>	<u>6,842,660</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,495,366	6,495,366
Current assets	187,475	1,064,394	282,735	1,534,604
Creditors due within one year	-	(217,338)	(213,399)	(430,737)
Pension scheme liability	-	(812,000)	-	(812,000)
	<u>187,475</u>	<u>35,056</u>	<u>6,564,702</u>	<u>6,787,233</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,221,261	6,221,261
Current assets	240,502	1,187,742	-	1,428,244
Creditors due within one year	-	(226,945)	-	(226,945)
Provisions for liabilities and charges	-	(905,000)	-	(905,000)
	<u>240,502</u>	<u>55,797</u>	<u>6,221,261</u>	<u>6,517,560</u>

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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	73,673	25,243
Adjustment for:		
Depreciation charges	171,090	172,131
Interest received	(2,236)	(1,935)
Loss on the sale of fixed assets	-	1,363
(Increase)/decrease in stocks	(684)	7,807
(Increase)/decrease in debtors	(59,574)	10,509
Increase/(decrease) in creditors	203,792	(48,284)
Capital grants from DfE and other capital income	(159,520)	(15,392)
Defined benefit pension scheme cost less contributions payable	82,000	74,000
Defined benefit pension scheme finance cost	21,000	24,000
Net cash provided by operating activities	329,541	249,442

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,366,469	1,320,367
	1,366,469	1,320,367

23. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	180,313	18,543

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £34,901 were payable to the schemes at 31 August 2018 (2017: £32,833) and are included within creditors.

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

24. PENSION COMMITMENTS (continued)

Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £189,460 (2017: £179,442).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2018 was £154,000 (2017: £130,000), of which employer's contributions totalled £121,000 (2017: £102,000) and employees' contributions totalled £33,000 (2017: £28,000). The agreed contribution rates for future years are 13.8% for employers and 5.7% for employees.

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

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24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate +0.1% p.a.	388,000	435,000
Mortality assumption - 1 year increase	422,000	468,000
CPI rate +0.1% p.a.	425,000	470,000
Pay growth +0.1% p.a.	409,000	456,000

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	716,000	672,000
Government bonds	74,000	-
Property	44,000	30,000
Cash and other liquid assets	19,000	11,000
Other bonds	43,000	41,000
Other	34,000	28,000
Total market value of assets	930,000	782,000

The actual return on scheme assets was £54,000 (2017: £84,000).

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(203,000)	(176,000)
Interest income	18,000	12,000
Interest cost	(39,000)	(36,000)
Total	<u>(224,000)</u>	<u>(200,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	1,687,000	1,662,000
Current service cost	203,000	176,000
Interest cost	39,000	36,000
Employee contributions	33,000	28,000
Actuarial gains	(162,000)	(223,000)
Benefits paid	(58,000)	8,000
Closing defined benefit obligation	<u>1,742,000</u>	<u>1,687,000</u>

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	782,000	531,000
Interest income	20,000	12,000
Actuarial losses	34,000	101,000
Employer contributions	121,000	102,000
Employee contributions	33,000	28,000
Benefits paid	(58,000)	8,000
Administration expenses	(2,000)	-
Closing fair value of scheme assets	<u>930,000</u>	<u>782,000</u>

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25. OPERATING LEASE COMMITMENTS

At 31 August the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	3,696	3,229
Between 1 and 5 years	1,571	3,967
Total	<u>5,267</u>	<u>7,196</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year ended 31 August 2018 (2017: £NIL), other than certain trustees' remuneration and expenses already disclosed in note 12.

27. 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.

28. GENERAL INFORMATION

Endeavour Schools Trust Ltd is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Tennyson Road, Headless Cross, Redditch, Worcestershire, B97 5BL.

These financial statements are presented in Sterling and rounded to the nearest £.