

**ENDEAVOUR LEARNING TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

		Unrestricted funds	Restricted funds	Fixed Assets fund	2017 Total funds	2016 Total funds
	Notes	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	-	3,345	250,600	253,945	14,908
<b>Charitable activities</b>						
Education	5	42,739	3,138,257	-	3,180,996	2,979,065
Community and recreation		607,993	-	-	607,993	102,008
Other trading activities	3	-	101,964	-	101,964	43,467
Investment income	4	699	-	-	699	1,325
<b>Total</b>		651,431	3,243,566	250,600	4,145,597	3,140,773
 <b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Education	7	42,739	3,279,570	218,899	3,541,208	3,320,633
Community and recreation		606,757	-	-	606,757	96,000
<b>Total</b>	6	649,496	3,279,570	218,899	4,147,965	3,416,633
 <b>NET</b>						
<b>INCOME/(EXPENDITURE)</b>						
		1,935	(36,004)	31,701	(2,368)	(275,860)
Actuarial gain on defined benefit pension schemes		-	565,000	-	565,000	(684,000)
<b>Net movement in funds</b>		1,935	528,996	31,701	562,632	(959,860)
 <b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		833,091	(1,542,405)	7,761,115	7,051,801	8,011,661
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>835,026</u>	<u>(1,013,409)</u>	<u>7,792,816</u>	<u>7,614,433</u>	<u>7,051,801</u>

The notes form part of these financial statements



**ENDEAVOUR LEARNING TRUST**

**BALANCE SHEET  
AT 31ST AUGUST 2017**

		Unrestricted funds	Restricted funds	Fixed Assets fund	2017 Total funds	2016 Total funds
	Notes	£	£	£	£	£
<b>FIXED ASSETS</b>						
Tangible assets	11	396,599	-	7,792,816	8,189,415	8,118,987
<b>CURRENT ASSETS</b>						
Debtors	12	57,187	17,414	7,738	82,339	41,930
Cash at bank and in hand		<u>489,520</u>	<u>321,847</u>	<u>225,679</u>	<u>1,037,046</u>	<u>874,887</u>
		546,707	339,261	233,417	1,119,385	916,817
<b>CREDITORS</b>						
Amounts falling due within one year	13	(108,280)	(221,670)	(233,417)	(563,367)	(382,003)
<b>NET CURRENT ASSETS</b>		<u>438,427</u>	<u>117,591</u>	<u>-</u>	<u>556,018</u>	<u>534,814</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		835,026	117,591	7,792,816	8,745,433	8,653,801
<b>CREDITORS</b>						
Amounts falling due after more than one year	14	-	(1,131,000)	-	(1,131,000)	(1,602,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>835,026</u>	<u>(1,013,409)</u>	<u>7,792,816</u>	<u>7,614,433</u>	<u>7,051,801</u>
<b>FUNDS</b>						
Unrestricted funds:	15					
General fund					438,427	475,219
Designated fund					<u>396,599</u>	<u>357,872</u>
					835,026	833,091
Restricted funds:						
Pension fund					(1,116,000)	(1,581,000)
Other / GAG					64,817	-
School fund					<u>37,774</u>	<u>38,595</u>
					(1,013,409)	(1,542,405)
Endowment funds:						
Restricted fixed assets					<u>7,792,816</u>	<u>7,761,115</u>
<b>TOTAL FUNDS</b>					<u>7,614,433</u>	<u>7,051,801</u>

The notes form part of these financial statements



ENDEAVOUR LEARNING TRUST

BALANCE SHEET - CONTINUED  
AT 31ST AUGUST 2017

The financial statements were approved by the Board of Trustees on 15<sup>th</sup> December 2017 and were signed on its behalf by:

Helen Dicker

Mrs H K Dicker MBE – Trustee/Chair

L A Gwinnett

Mrs L A Gwinnett – Trustee /Accounting Officer

The notes form part of these financial statements



**ENDEAVOUR LEARNING TRUST**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>206,849</u>	<u>(479,552)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>206,849</u>	<u>(479,552)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(289,327)	(28,620)
Capital grants from DfE/EFSA		250,600	13,754
Interest received		<u>699</u>	<u>1,325</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(38,028)</u>	<u>(13,541)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		<u>(6,662)</u>	<u>9,677</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(6,662)</u>	<u>9,677</u>
<b>Change in cash and cash equivalents in the reporting period</b>		162,159	(483,416)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>874,887</u>	<u>1,358,303</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,037,046</u></u>	<u><u>874,887</u></u>

The notes form part of these financial statements





**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

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

	2017	2016
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(2,368)	(275,860)
<b>Adjustments for:</b>		
Depreciation	218,899	219,737
Capital grants from DfE/EFSA	(250,600)	(13,754)
Interest received	(699)	(1,325)
Defined benefit pension costs less contributions payable	68,000	13,000
Defined benefit pension net finance cost	32,000	32,000
(Increase)/decrease in debtors	(40,409)	46,479
Increase/(decrease) in creditors	<u>182,026</u>	<u>(499,829)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>206,849</u>	<u>(479,552)</u>



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**1. ACCOUNTING POLICIES**

**Basis of preparing the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2016.

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

**Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

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

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

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**1. ACCOUNTING POLICIES - continued**

**Expenditure**

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

**Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	2% on cost
Fixtures and fittings	20% on reducing balance
Computer equipment	25% on reducing balance

Assets in the course of construction are included at cost. Depreciation on these amounts 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.

**Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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. The charity is exempt from corporation tax on its charitable activities.



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.





## ENDEAVOUR LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2017

#### 1. ACCOUNTING POLICIES - continued

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **Critical accounting estimates and areas of judgement**

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

##### Critical accounting estimates and assumptions

The Academy 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.

##### Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 50 years for buildings, 4 years for computer equipment and 5 years for fixtures, fittings and equipment.

##### Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

##### Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2017. 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 judgement

##### Classification and valuation of long leasehold land and buildings

The academy's freehold land and buildings are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the Accounts as a donated asset based on a depreciated replacement cost valuation carried out as at 31st August 2011 on behalf of the Department for Education. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**2. DONATIONS AND CAPITAL GRANTS**

	2017	2016
	£	£
Donations	3,345	1,154
Capital Grants	<u>250,600</u>	<u>13,754</u>
	<u>253,945</u>	<u>14,908</u>

**3. OTHER TRADING ACTIVITIES**

	2017	2016
	£	£
School dinners and vending	<u>101,964</u>	<u>43,467</u>

**4. INVESTMENT INCOME**

	2017	2016
	£	£
Deposit account interest	<u>699</u>	<u>1,325</u>

**5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds	Restricted Funds	Total 2017
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	-	2,630,284	2,630,284
Other DfE/ESFA grants	-	293,356	293,356
	-	<b>2,923,640</b>	<b>2,923,640</b>
<b>Other Government grants</b>			
Local Authority grants	-	3,850	3,850
Special educational projects	-	83,003	83,003
	-	<b>86,853</b>	<b>86,853</b>
<b>Other income</b>			
Recharges and fees	42,739	48,917	91,656
School fund	-	78,847	78,847
	<b>42,739</b>	<b>127,764</b>	<b>170,503</b>
<b>Total 2017</b>	<b>42,739</b>	<b>3,138,257</b>	<b>3,180,996</b>
Total 2016	29,119	2,949,946	2,979,065



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**6. EXPENDITURE**

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

	2017	2016
	£	£
Depreciation - owned assets	218,899	219,737
Operating lease rentals	12,972	9,087
- Audit	3,800	3,800
- Other services	<u>5,650</u>	<u>6,250</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs	Total2017	Total2016
	£	£	£	£
<b>Education</b>				
Staff including social security and pension	1,591,769	989,777	2,581,546	2,464,907
Premises costs	-	204,272	204,272	268,596
Educational supplies	301,515	200,835	502,350	342,716
Stationery, postage and telephone	-	14,191	14,191	3,877
Depreciation of buildings and other assets	218,899	-	218,899	219,737
Governance included in support costs	-	19,950	19,950	20,800
	<b>2,112,183</b>	<b>1,429,025</b>	<b>3,541,208</b>	<b>3,320,633</b>
<b>Community and recreation</b>				
Staff including social security and pension	151,243	-	151,243	70,000
Premises costs	-	75,960	75,960	25,000
Educational supplies	-	-	-	-
Stationery, postage and telephone	-	9,662	9,662	1,000
Other staff costs	-	369,892	369,892	-
	<b>151,243</b>	<b>455,514</b>	<b>606,757</b>	<b>96,000</b>
<b>Totals</b>	<b>2,263,426</b>	<b>1,884,539</b>	<b>4,147,965</b>	<b>3,416,633</b>



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**8. TRUSTEES' REMUNERATION AND BENEFITS**

**Trustees'/Governors' remuneration and expenses**

CEO/Executive Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of CEO/Executive Headteacher and staff and not in respect of their services as Trustees/governors. Other Trustees/governors did not receive any payments, other than expenses, from the academy in respect of their role as Trustees/governors. The value of Trustee/governors' remuneration was as follows:

L Gwinnett (CEO/Executive Headteacher)

Remuneration	£90,000-£95,000 (2016: £80,000-£85,000)
Employer's pension contributions	£10,000-£15,000 (2016: £10,000-£15,000)

T Houghton (staff Governor)

Remuneration	£50,000-£55,000 (2016: £45,000-£50,000)
Employer's pension contributions	£ 5,000-£10,000 (2016: £5,000-£10,000)

P Langton (staff Governor)

Remuneration	£10,000-£15,000 (2016:£10,000-£15,000)
Employer's pension contributions	£nil - £5,000 (2016: £nil - £5,000)

T McLardy (staff Governor)

Remuneration	£45,000-£50,000 (2016: £35,000-£40,000)
Employer's pension contributions	£5,000-£10,000 (2016: £5,000- £10,000)

During the year ended 31 August 2017 travel and subsistence expenses totalling £Nil were reimbursed to Trustees/governors in their capacity as Trustees/governors. Other related party transactions involving the trustees are set out in note 16.

**Trustees' expenses**

In accordance with normal commercial practice the academy has purchase insurance to protect Trustees/governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cost for the period was £148.





**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**9. STAFF COSTS**

	2017	2016
	£	£
Wages and salaries	2,109,679	2,024,023
Social security costs	199,728	163,167
Operating costs of defined benefit pension schemes	<u>433,882</u>	<u>358,467</u>
	<u><u>2,743,289</u></u>	<u><u>2,545,657</u></u>

During the year there were supply teacher costs totalling £27,161 (2016: £12,585) that is included within the wages and salaries total above.

Included above are restructuring costs (statutory contractual severance payments) for one person totalling £1,467 (2016: £3,500).

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

	2017	2016
Teaching staff	29	31
Administrative and support staff	25	20
Management	<u>8</u>	<u>7</u>
	<u><u>62</u></u>	<u><u>58</u></u>

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

	2017	2016
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u><u>2</u></u>	<u><u>1</u></u>

**Key management personnel**

The key management personnel of the Academy comprise the Trustees/Governors 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 was £598,795

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Fixed Assets fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	1,154	13,754	14,908
<b>Charitable activities</b>				
Education	29,119	2,949,946	-	2,979,065
Community and recreation	102,008	-	-	102,008
Other trading activities	-	43,467	-	43,467
Investment income	<u>1,325</u>	<u>-</u>	<u>-</u>	<u>1,325</u>
<b>Total</b>	132,452	2,994,567	13,754	3,140,773



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Fixed Assets fund £	Total funds £
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Education	17,866	3,097,896	204,871	3,320,633
Community and recreation	<u>96,000</u>	<u>-</u>	<u>-</u>	<u>96,000</u>
<b>Total</b>	113,866	3,097,896	204,871	3,416,633
<b>Actuarial losses on defined benefit pension schemes</b>	<u>-</u>	<u>(684,000)</u>	<u>-</u>	<u>(684,000)</u>
<b>NET INCOME/(EXPENDITURE)</b>	18,586	(787,329)	(191,117)	(959,860)
<b>Transfers between funds</b>	<u>(65,551)</u>	<u>65,551</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	(46,965)	(721,778)	(191,117)	(959,860)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	880,056	(820,627)	7,952,232	8,011,661
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>833,091</u></u>	<u><u>(1,542,405)</u></u>	<u><u>7,761,115</u></u>	<u><u>7,051,801</u></u>

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1st September 2016	8,563,520	190,695	324,372	9,078,587
Additions	<u>245,217</u>	<u>14,310</u>	<u>29,800</u>	<u>289,327</u>
At 31st August 2017	<u>8,808,737</u>	<u>205,005</u>	<u>354,172</u>	<u>9,367,914</u>
<b>DEPRECIATION</b>				
At 1st September 2016	671,166	105,764	182,670	959,600
Charge for year	<u>156,175</u>	<u>19,848</u>	<u>42,876</u>	<u>218,899</u>
At 31st August 2017	<u>827,341</u>	<u>125,612</u>	<u>225,546</u>	<u>1,178,499</u>
<b>NET BOOK VALUE</b>				
At 31st August 2017	<u>7,981,396</u>	<u>79,393</u>	<u>128,626</u>	<u>8,189,415</u>
At 31st August 2016	<u>7,892,354</u>	<u>84,931</u>	<u>141,702</u>	<u>8,118,987</u>



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade debtors	63,188	4,000
Tax	19,151	16,622
Prepayments and accrued income	<u>-</u>	<u>21,308</u>
	<u>82,339</u>	<u>41,930</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	412,637	198,886
Salix loan	14,000	14,662
Accruals and deferred income	127,280	158,405
Accrued expenses	<u>9,450</u>	<u>10,050</u>
	<u>563,367</u>	<u>382,003</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Salix loan	15,000	21,000
Pension scheme liability	<u>1,116,000</u>	<u>1,581,000</u>
	<u>1,131,000</u>	<u>1,602,000</u>



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**15. MOVEMENT IN FUNDS**

	Balance at 1 September 2016			Gains, losses and transfers	Balance at 31 August 2017
	£	Income £	Expenditure £	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,630,284	(2,630,284)		-
Other DfE / ESFA grants	-	293,356	(232,624)	-	60,732
Other government grants	-	86,853	(86,853)	-	-
Other restricted funds	38,595	233,073	(229,809)	-	41,859
	-----	-----	-----	-----	-----
Funds excluding pensions	38,595	3,243,566	(3,179,570)		102,591
Pension reserve	(1,581,000)	-	(100,000)	565,000	(1,116,000)
	-----	-----	-----	-----	-----
	(1,542,405)	3,243,566	(3,279,570)	565,000	(1,013,409)
<b>Restricted fixed asset funds</b>					
Inherited funds	6,277,361	-	-	-	6,277,361
DfE/ESFA capital grants	-	250,600	(218,899)	-	31,701
Capital expenditure from GAG and other funds	1,483,754	-	-	-	1,473,754
	-----	-----	-----	-----	-----
	7,761,115	250,600	(218,899)	-	7,792,816
<b>Total restricted funds</b>	<b>6,218,710</b>	<b>3,494,166</b>	<b>(3,498,469)</b>	<b>(565,000)</b>	<b>6,779,407</b>
<b>Unrestricted funds</b>					
General funds	475,219	651,431	(649,496)	(38,727)	438,427
Designated funds	357,872	-	-	38,727	396,599
	-----	-----	-----	-----	-----
	833,091	651,431	(649,496)	-	835,026
<b>Total funds</b>	<b>7,051,801</b>	<b>4,145,597</b>	<b>(4,147,965)</b>	<b>565,000</b>	<b>7,614,433</b>

The general fund balance at the period end represents free funds held as a contingency for future costs which are not otherwise funded by new income. This is described more fully in the Trustees' Report. Some of the unrestricted funds carried forward have been designated for specific purposes, as outlined below.

**Unrestricted designated funds**

Designated funds are those that have been ring-fenced by Trustees for future commitments or anticipated costs. These do not have an externally imposed restriction and may be un-designated or amended at the discretion of the Trustees. Some of the amounts designated have been fully utilised and released back to general funds.

The balance of £396,599 is made up as follows (and is explained more fully in the Trustee's Report):-

- Reflected by Fixed Assets £396,599

**Restricted funds**

The General Annual Grant and other Grants are shown as restricted movements during the period since they relate specifically to educational provision outlined in the respective funding agreements. All amounts awarded have been spent in full during the period.

Under the funding agreement the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2017.





**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**15. MOVEMENT IN FUNDS - continued**

The pension reserve balance represents the liability on the Balance Sheet in respect of under-funded defined benefit pension scheme (in common with many other Academies, as per the Actuarial assumptions made) as described in the Accounting policies.

The School funds are those monies collected from and / or on behalf of pupil events and activities and ring-fenced as such.

The fixed asset funds balance represents the net book value of fixed assets which have been funded by restricted funding, or otherwise have restrictions attached to them and their future use. Depreciation on restricted assets is charged directly to this fund. Where a restriction is released on an asset, or where an asset is purchased from unrestricted funds a corresponding transfer is made into the unrestricted fund balance.

Other restricted funds relate to: £11,000 MAT income unspent at the yearend; £49,732 received specifically for Teaching School activity that spans into the new year, and £4,085 relating to a timing difference on income and costs for I.T. equipment purchases for students.

**16. RELATED PARTY DISCLOSURES**

Owing to the nature of the Academy trust and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

In addition to Trustee/Governors' salaries which are disclosed earlier within the Notes to the Financial Statements, there was an additional related party transaction relating to teaching salaries, namely Mr R Gwinnett, who is the husband of Mrs L Gwinnett and a permanent full-time employee of the Academy (Senior Head of Faculty). Amounts paid to him for the full year to 31st August 2017 was in the salary bracket £40,000 to £50,000 in addition to Employer's pension contributions in the bracket £0 to £10,000. The amounts are similar to those of other staff members within this grade.

During the year the trust paid ASCL, a professional body in which Mr Baldwin is Deputy Director of Policy, £3,473 in respect of course fees.

**17. 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.

**18. SCHOOL CENTRED INITIAL TEACHER TRAINING**

During the year Tarleton received School Centred Initial Teacher Training (SCITT) income of £57,003 all of which was expended.

Included within teaching and support staff costs is £41,759 for SCITT related salaries.

In addition, Bursary income of £71,000 was received and paid out in full, however this is not included in the Accounts as the Academy only acts as an agent in relation to these amounts.



## ENDEAVOUR LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2017

#### 19. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### **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 (currently 14.1%)
- 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%

During the year the employer contribution rate was 14.1%. 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, where upon the employers' contribution rate is expected to be reassessed and will be payable from 1st April 2019.

The employer's pension costs paid to TPS in the year amounted to £218,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £146,000 (2016: £126,000) of which employer's contributions totalled £111,000 (2016: £96,000) and employees' contributions totalled £35,000 (2016: £30,000). The agreed contribution rate for future years is 14.3%.



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**

The estimated value of employer contributions for the forthcoming year based on the latest actuarial report is £111,000. The deficit contribution will be reviewed following the next triennial valuation in 2016.

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 18th July 2013.

**Principal Actuarial Assumptions**

	<b>As at 31 August 2017</b>	<b>As at 31 August 2016</b>
Rate of increase in salaries	3.7%	3.4%
Rate of increase for pensions in payment / inflation	2.2%	2.0%
Discount rate for scheme liabilities	2.5%	2.2%
Inflation assumption (CPI)	2.2%	1.9%

Sensitivity analysis at 31st August 2017

	<b>Central</b>	<b>Sensitivity 1+ 0.1% p.a.discount rate</b>	<b>Sensitivity 2 + 0.1% p.a. inflation</b>	<b>Sensitivity 3 + 0.1%p.a. pay growth</b>	<b>Sensitivity 4 1 + year increase in life expectancy</b>
	£000	£000	£000	£000	£000
1 year increase					
Liabilities	2,699	2,607	2,733	2,682	2,716
Assets	(1,553)	(1,553)	(1,553)	(1,553)	(1,553)
Deficit/(surplus)	1,116	1,054	1,180	1,129	1,163
Projected Service Cost for next year	178	173	184	178	182
Projected Net Interest Cost for next year	27	26	28	27	28

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

	<b>As at 31 August 2017</b>	<b>As at 31 August 2016</b>
Retiring today:		
Males	22.6	23
Females	25.2	25.6
Retiring in 20 years:		
Males	24.9	25.2
Females	27.9	27.9

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>2017</b>	<b>2016</b>
Equities	681	555
Government bonds	30	-
Other bonds	36	36
Property	162	137
Cash/ Liquidity	71	50
Other	573	660
<b>Total market value of assets</b>	----- 1,553	----- 1,438



**ENDEAVOUR LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**

The actual return on scheme assets was £185,000 (2016: £275,000).

**Amounts recognised in the statement of financial activities**

	<b>2017</b>	<b>2016</b>
	£000	£000
Current service cost (net of employee contributions)	181	107
Net interest cost	32	32
Administration expenses	3	2
<b>Total operating charge</b>	<b>216</b>	<b>141</b>

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

	<b>2017</b>	<b>2016</b>
	£000	£000
<b>At 1 September</b>		
Current service cost	3,019	1,892
Interest cost	181	107
Employee contributions	65	76
Actuarial (gain)/loss	35	30
Benefits paid	(600)	915
	(31)	(1)
<b>At 31 August</b>	<b>2,669</b>	<b>3,019</b>

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

	<b>2017</b>	<b>2016</b>
	£000	£000
<b>At 1 September</b>		
Interest income	1,438	1,040
Actuarial (gain)/loss	33	44
Employer contributions	(35)	231
Employee contributions	116	96
Benefits paid	35	30
Administrative expenses	(31)	(1)
	(3)	(2)
<b>At 31 August</b>	<b>1,553</b>	<b>1,438</b>

