

Endeavour Learning Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2019

Endeavour Learning Trust

Annual Report and Financial Statements

Year Ended 31st August 2019

Contents

Page

Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	12
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report to the Members	18
Independent Reporting Accountant's Assurance Report on Regularity	21
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26

Endeavour Learning Trust

Reference and Administrative Details

Year Ended 31st August 2019

Members	Mrs H K Dicker MBE (resigned 25 th April 2019) Mr N Gibson (appointed 25 th April 2019) Mr G Lloyd Mrs K Passant (resigned 5 th March 2019) Mr R Sachs
Trustees	Mrs C Adams Mrs G Bahan (appointed 12 th September 2019) Mr D Baldwin Mrs H K Dicker MBE Mr C Fenny (appointed 25 th April 2019) Mrs L A Gwinnett (resigned 25 th April 2019) Mr D Latham (appointed 14 th February 2019) Mr R Sachs Mrs J Smitton Mrs S Stoker
Secretary	Mrs G M Davies
Senior Leadership Team	Mrs L A Gwinnett (CEO/Executive Headteacher/Accounting Officer) Mrs G M Davies Miss J Bacon Mrs N Fairhurst
Principal and Registered Office	Endeavour Learning Trust Hesketh Lane Tarleton Preston PR4 6AQ
Company Registration Number	07848372
Independent Auditor	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW

Endeavour Learning Trust

Reference and Administrative Details

Year Ended 31st August 2019

Bankers

Lloyds Bank
13 – 15 Hardshaw Street
St. Helens
WA10 1QZ

Solicitors

Hill Dickinson
No 1 St Paul's Square
Liverpool
L3 SJ

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2018 to the 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

During this period the Trust expanded the Multi Academy Trust (MAT) with the addition of Burscough Priory Academy (formerly Burscough Priory Science College), sponsored by ELT from 1st September 2018, and Churchtown Primary School joining the MAT from 1st February 2019. In addition, Endeavour Learning Trust continued its service level agreement with Lancashire County Council in the leadership of Wellfield High School.

Mrs Gwinnett, as a National Leader of Education (NLE), has continued to undertake commissions including school improvement diagnostics and subsequent action planning and support for schools in challenging circumstances.

Our Teaching School Alliance continues to drive a number of significant networks including an Executive Headteachers' group, senior leaders' networks for careers, curriculum, safeguarding, CPD, behaviour and attendance and SEND. There are a whole range of teaching and learning initiatives and subject networks including an Ofsted rated outstanding School Centred Initial Teacher Training (SCITT) programme.

Structure, Governance and Management

1.1 Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of Endeavour Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Endeavour Learning Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

1.2 Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

1.3 Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. These are stated in the notes to the accounts (note 11).

1.4 Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited in accordance with the Academy's Articles of Association. Trustees are recruited based upon their level of skill and expertise. An audit of the Trust is carried out to identify any areas for improvement or gaps in the skill set. Potential candidates go through an interview and recruitment process. During this year the Trust utilised the services of Academy Ambassadors to add to their Trust and Members' boards.

Trustees are appointed for 4 years and may be reappointed.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

All new Trustees are invited to meet with the CEO and Chair of the Trust as the first stage of the induction process. The new Trustee receives in house training and an induction pack and has access to Lancashire County Council's and

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

the National Governors' Association online training packages. As part of the induction process the Chair of Trustees/Clerk to the Trust provide previous minutes, terms of reference for the Resources and Audit Committee, Code of Conduct and the current Financial Handbook.

1.6 Organisational Structure

The Trustees are responsible for the general control and management of the Trust, although the day to day running of the Academy is the responsibility of the staff in the Academy, and ultimately the Executive Headteacher. The Trustees give their time freely and receive no remuneration, except for the CEO, who served as a Trustee until April 2019, when, following good practice guidelines, she resigned as a Trustee.

The Trust has a Resources and Audit committee, where decisions of the Academies may be made prior to being ratified in Trust meetings. Financial decisions are subject to the rules contained in the Trust's Financial Regulations. The CEO/Executive Headteacher is the Accounting Officer, working with the support of the Chief Operating Officer, the Finance Manager and Finance Officers.

The Trust has delegated some powers to the Local Academy Councils (LACs) and has a clear Scheme of Delegation for those powers which are delegated to the LACs, the Resources and Audit committee and the management team of the schools.

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Individual Salary Ranges (ISR) of key management personnel are set by referring to the Teachers' pay and conditions document and are related to the size of the schools in terms of pupil numbers as well as the needs of the pupils that attend.

To progress through these ranges, appraisals are conducted annually by the line manager, this being the CEO/Executive Headteacher or the Director of Standards for the majority of key management personnel. The line manager will decide if the performance of the staff member has reached the standard required and if so, put forward the recommended pay progression to the Trust Pay Committee. The Trust has the power to approve or decline the recommendation. If the required standards are not met, teachers do not progress and appropriate action is taken in line with the Appraisal and Capability policies.

Pay awards for the CEO and senior Trust executives are made by Trust board members following a robust evidence-based process and are reflective of the individual's role and responsibilities. Performance management of the CEO is carried out by Trustees with the help of external consultants.

For support staff key management personnel, a recommended support staff pay scale is used. Increments are awarded on an annual basis until the top of the scale is reached. The Trust is exploring an annual appraisal process related to performance for support staff in line with teaching staff.

2. Objectives and Activities

2.1 Objects and Aims

Endeavour Learning Trust is carefully, purposefully and strategically growing and expanding our vibrant community, building on a wide range of well established, inspirational partnerships which nurture respectful, independent, lifelong learners. In our Trust we ensure that every student receives the same consideration that we would want for our own children. We believe in clear boundaries, high aspirations, creative solutions and the genuine enjoyment that comes from the joy of learning and the pride of achievement and success. We are firmly committed to ensuring that in our Trust everyone is valued, quality is expected and our wider role at the heart of our communities is taken seriously. Our expansion aims to continue to bring like-minded schools in to join us. Our aims are to grow steadily, but to retain a 'family' feel within the Trust.

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

2.2 Objectives, Strategies and Activities

Our overall aims are to provide:

- A world class education for all our students, which builds resilience, confidence and drive, in an ever changing world
- A workforce of the highest calibre, with a winning combination of teamwork, skill, experience, passion and an unwavering commitment to excellence
- A relentless focus on individual and collective improvement, personal and professional development, in an ethos of high expectations and personal ambition
- The moral imperative to ensure that no child is left behind and no individual is overlooked in their uniqueness and distinctive potential
- A caring environment, where everyone feels safe and valued and where we get the balance right between nurture and support and stretch and challenge, so that all of us can dream big and work together to make those aspirations a reality.

All of our work is done to further these aims.

2.3 Public Benefit

The Trust has the Charity Commission guidelines regarding public benefit and are satisfied that these requirements are fully met in carrying out the activities above.

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

Strategic report

3. Achievements and Performance

Burscough Priory Academy, having been sponsored from 1st September 2018, has made significant improvement in the results gained by students at the end of KS4. This improvement has been brought about following the introduction of new behaviour policies and a focus on quality teaching. The Trust expects that the results in the school will continue to improve on a rapid trajectory. Significant amounts of grants have been awarded to the Trust to allow improvements to the physical environment and the quality of leadership in the school.

Churchtown Primary School joined the Trust in February 2019. The Trust has worked closely with the two headteachers to look at the resources in the school, and work to further improve standards for students is ongoing.

Tarleton Academy again secured outstanding GCSE results in an environment of more rigorous, new specification GCSEs. The achievements of disadvantaged students has improved significantly to put their progress above that of the average student across the country, and indeed above the progress of the average student in the school. Again , there were more applicants than there were places at Tarleton Academy.

The Trust has continued the work through the teaching school, Endeavour Learning Teaching School Alliance (ELTSA) so that all subject leaders now attend subject networks 4 times per year for subject moderation and development. We lead and participate in Leadership Development Courses and subject specific training. We are also the strategic lead for all of the Senior Leader networks that cover CPD, Curriculum and Assessment, Behaviour and Attendance, CEIAG, ITT, safeguarding and SEND.

Our SCITT partnership of Golborne High School, Ormskirk School and Wellfield High School, alongside Tarleton Academy and Burscough Priory Academy, continues to provide excellent training for graduates.

There has been a further investment in Trust staff in order to anticipate the growth of the Trust.

Our work with Wellfield High School has enabled a more stable staff, ambitious for their students in a calm, structured environment.

Burscough Priory Science College was placed into special measures in November 2017. Work with Burscough Priory Science College by senior staff and Trustees has enabled significant ground work in the preparation for the formal sponsorship of Burscough Priory Science College as a new academy within the Trust on 1st September 2018, now known as Burscough Priory Academy. Senior leaders have spent significant time looking at the way in which data is produced and shown to the local board and to trustees to enable comparison between schools in the Trust being provided in a useable format.

3.1 Key Performance Indicators

Below are the tables for the secondary schools for which the Trust is responsible. Across the board, the data has improved from the previous years in almost every measure.

The Trust is particularly pleased with the results seen at Burscough Priory Academy, which are based on one academic year's worth of interventions and improvements implemented by the Trust. In 2019, for Progress 8, Tarleton Academy was placed in the top 18% of all secondary schools nationally and 10th in Lancashire.

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

Cohort Average Points Score (APS) from KS2

School	2017	2018	2019
National average for 2019 is 29.0			
Burscough Priory Academy	29.6	28.8	29.8
Tarleton Academy	28.9	28.6	28.7

Students Achieving 4+ in English & Maths

School	2017	2018	2019
National average for 2019 is 63%			
Burscough Priory Academy	71%	61%	75% (+14%)
Tarleton Academy	75%	72%	77% (+5%)

Students Achieving 5+ in English & Maths

School	2017	2018	2019
National average for 2019 is 43			
Burscough Priory Academy	47%	43%	52% (+9%)
Tarleton Academy	49%	46%	53% (+7%)

Attainment 8 (Two Year trend due to changes in methodology)

School	2018	2019
National average for 2019 is 46.5		
Burscough Priory Academy	49.9	49.4
Tarleton Academy	42.7	49.7

Progress 8 scores

School (national average is 0)	2017	2018	2019
Burscough Priory Academy	-0.22	-0.46	-0.13
Tarleton Academy	0.26	0.27	0.37

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

Churchtown Primary School is the first primary school to join the Trust.

KS 2 progress scores for 2019

	2018	2019
Reading	-0.7	-0.1
Writing	-0.7	-2.4
Maths	-2.4	-1.4

Percentage of pupils meeting standards

	2018 (national average)	2019
Expected standard in reading, writing and maths	64% (64)	58%
Higher standard in reading, writing and maths	7% (10)	9%

3.2 Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

4. Financial Review

4.1 Operating and Financial Review

The Academies finances are managed by a Finance Team, headed up by the Chief Operating Officer (COO). The Finance Team report to the Chief Executive Officer (CEO)/Executive Headteacher, and in turn to the Trust's Resources and Audit Committee who meet regularly to review management accounts and to discuss matters relating to finance. Good financial controls are in place and subject to review by the Responsible Officer on a regular basis.

The principal sources of funding are summarised in the notes to the Accounts. In summary, as is common with many Academies, these relate to the General Annual Grant (GAG) and other grants from the Education and Skills Funding Agency.

4.2 Reserves Policy

The Trustees are satisfied that, having reviewed robust budgets that there are sufficient reserves to absorb future anticipated deficits forecast when the funding will have increased sufficiently to absorb the fixed costs of the Trust. The budgets prepared are designed to cover all known eventualities and still provide scope for in year savings.

4.3 Investment Policy

The Trust holds no investments apart from cash balances which are deposited with our bankers. Amounts held for future projects are held in the most appropriate interest bearing account, whilst other amounts required for general running expenses are held in a current account. Trustees review the interest rates available to ensure the best rates

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

are achieved where possible. Unfortunately, in the current climate there are no significant interest rates available with any banks, and other investments are considered too risky, given the short term profile of the amounts held and required availability of deposits.

4.4 Principal Risks and Uncertainties

The trustees have considered the principal risks and uncertainties that the trust may be exposed to. A risk register has been completed and appropriate procedures put in place to mitigate the risks.

4.5 Risk Management

The Trust is responsible for the risk management process of the academies. There is a formal process for identifying, evaluating and managing the significant risks. A formal review of risks identifying the management of the risks is carried out. Trustees are regularly updated on any issues which may impact on the management of risk.

As part of its operating procedures the Trust has the following key controls:

- Formal agendas and minutes for all meetings of the Trust and committees
- Terms of reference for all committees
- Strategic planning, financial forecasting, budgeting and reporting
- Comprehensive budgeting and monitoring systems. Annual budget formally agreed and regularly reviewed by the Trust
- Regular financial reporting to the Trust which indicates financial performance against budget forecast.
- Strategic planning, tendering processes and monitoring of capital expenditure
- Robust financial planning and curriculum review to identify staffing needs in relation to pupil numbers and level of funding available
- Defined organisational structures and lines of reporting and accountability
- Formal written policies
- Clearly defined purchasing procedures and internal financial regulations
- Defined authorisation limits, delegation of authority and segregation of duties
- Risk register review to identify and manage risks
- Vetting and recruitment procedures for the protection of students
- Appointment of Responsible Officer to examine on a termly basis the operation of the financial controls. The Responsible Officer's findings are reported to the Trust.
- Annual audit and systems review carried out by external auditors

During 2018/19, there were no material findings by the Responsible Officer.

5. Plans for Future Periods

The Trust plans to grow steadily, taking on schools with a similar ethos. The growth plans for the coming year would include the addition of another secondary school.

Endeavour Learning Trust

Trustees' Report

Year Ended 31st August 2019

6. Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12th December 2019 and signed on the board's behalf by:

Mrs H K Dicker MBE
Chair of Trustees

Endeavour Learning Trust

Governance Statement

Year Ended 31st August 2019

7.1 Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

7.2 Governance

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L A Gwinnett	4	4
Mrs H K Dicker MBE	8	8
Mr R Sachs	1	5
Mrs S Stoker	4	8
Mrs J Smitton	5	8
Mr D Baldwin	2	5
Mrs C Adams	1	5
Mr D Latham	4	5
Mr C Fenny	3	3

The addition of Mr Fenny and Mr Latham followed approaches to Academy Ambassadors and a skills audit completed with the former Governing Body of Churchtown Primary School. Mr Fenny brings significant legal experience to the board, with Mr Latham bringing broad experience of business growth and development as well as an understanding of finance and HR systems, commercial sales and marketing.

It is expected that the Trust Board will grow with the number of schools joining. The addition of Trustees will be based on their skills, with an audit of current skills being completed annually and the identified gaps used as a basis for the new appointments.

7.3 Review of Value for Money

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

Endeavour Learning Trust

Governance Statement

Year Ended 31st August 2019

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

We have continued to deliver small teaching class sizes through careful allocation of funds. Our selection of staff is based on quality teaching as a first priority in order to deliver best outcomes for students.

On the whole, our schools have experienced an increase in pupil numbers as a result of our year on year high and increasing levels of success in our reputation and our outcomes for students.

This year we are delighted that we have once again been able to demonstrate to parents and the public that the academy trust's use of public assets has supported value for money during the year and has continuously improved both the educational and wider societal outcomes for its pupils with the resources available.

The finance and budgets of the Trust as a whole, the costs of the Executive team and the individual schools' budget headlines are monitored closely on behalf of the Trust through half termly Trust Resource Committee meetings. These address current spending against budget and forecast for year end, how this impacts on three year forecast and what other priorities for contingency may be forthcoming.

In addition, the CEO actively pursues grants and to date the Trust has benefited from an initial sponsor grant, a modest MDIF grant, a pre and post opening and environmental grant (for the sponsor project at Burscough Priory) and regular successful and significant CIF bids. In addition, the policy of the Trust is that, although Tarleton Academy is technically the seat of the Teaching School Alliance and the School Centred Initial Teacher Training (SCITT) the costs and the income from these are held and managed centrally to the Trust for the benefit of the Trust.

The starting point of any of the school budgets in Integrated Curriculum-Financial Planning (ICFP) looking at key metrics (curriculum offer, class size, the average salary cost for teachers, PPA time, leadership time) to plan the deployment of teachers and leaders in way that is effective and affordable. Breadth and depth of curriculum delivered by appropriate specialists is essential.

The Trust also benefits from the development of the Executive Team, which reduces the costs of leadership within the secondary schools by spreading strategic responsibilities across the Trust. A number of centralised services also save individual investment at school level (detailed elsewhere).

The Trust team was successful in securing two Condition Improvement Fund bids for Tarleton Academy for a fire alarm replacement £152,654 and replacement of boiler plant, central heating and hot water systems £472,454. This investment has had a direct impact on teaching and learning by ensuring that the learning environment is comfortable for the students and staff. In the past classes have been subject to extreme temperature fluctuations particularly in the hot summer months when classes have had to be relocated due to the high temperatures. The fire alarm investment has also added value to our safeguarding procedures by introducing a lock down bell facility and less time is wasted from learning with faulty, false fire alarm practices.

Also at Tarleton Academy, a storage area within the main hall has been converted to a cold food preparation and servery at a cost of £19,512. This has increased the catering capacity for the school to generate additional income and also to improve the dining experience of the students. The adaptation has increased the floor space available for dining by 36 seats and has meant that more pupils are able to access healthy and nourishing lunches, which also positively impacts on learning engagement.

The Trust was also successful in securing two Condition Improvement Fund bids at Burscough Priory Academy for External Fabric Repairs of £193,505 and replacement central heating distribution of £374,350. These investments into the building will generate future energy efficiencies. As with Tarleton, the investment has resulted in a more conducive environment for teaching and learning

Endeavour Learning Trust

Governance Statement

Year Ended 31st August 2019

Also at Burscough Priory Academy a large room was converted into the Personal Development Centre at a cost of £5,470. This resource has enhanced the Behaviour Policy which has had a direct impact on the behaviour of students and as a result on teaching and learning. Disruptive students are removed from the classroom to a nurturing environment which is staffed by the Personal Development Managers. Burscough Priory has also benefited from the conversion of an underused space into another Maths classroom at the cost of £14,867 which has enabled us to relocate subject areas into subject hubs to support collaborative working between specialist staff.

Churchtown Primary School has invested £38,807 to refurbish and expand the nursery provision in the school. This has enabled an environment to be created which is more fit for purpose and has allowed scope for increasing capacity to generate additional income. Particularly, it raises early engagement and attainment at Early Years level, which gives these children a positive springboard into their primary education.

Endeavour Learning Trust has also invested £48,203 in the conversion of a disused PE changing room/store room to create its central Operations Hub which houses the finance, personnel, HR and policy staff. By having a central service, economies of scale can be achieved in the processing function and purchasing power of the Trust, releasing funds to be better spent on supporting learning.

Endeavour Learning Trust has continued to invest in its IT equipment for example, the purchase of projectors totalling £24,000 across Tarleton Academy and Burscough Priory Academy, which enhances teaching and learning and also reduces reprographic costs. The Trust achieves economies of scale by securing discounts on software packages (e.g. class charts) and equipment (projectors) across the MAT.

The Trust as a Teaching School and School Centred Initial Teacher Training accredited provider has continued to invest in Continuous Professional Development of staff and to accredit staff with qualifications that can be used to generate additional income for the Trust by providing training courses to other organisations. The Trust works in partnership with Bridgewater High School to increase the capacity of trainee teachers and the Trust has the accreditation to award NQT status to trainee teachers in other establishments. These investments have significantly contributed to the development of new and existing teachers and are adding significant value to our schools.

7.4 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 the Academy Trust's 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 Learning Trust for the year ended 31st August 2019 and up to the date of approval of the annual report and financial statements.

7.5 Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

7.6 The Risk and Control Framework

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

Endeavour Learning Trust

Governance Statement

Year Ended 31st August 2019

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust;
- Regular reviews by the Resources and Audit 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 Trust has considered the need for a specific internal audit function and the Trustees appointed Mrs H K Dicker MBE, a Trustee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Trust on the operation of the systems of control and on the discharge of the Trust's financial responsibilities. From September 2019, the Trust will appoint external consultants to complete this role.

7.7 Review of Effectiveness

As Accounting Officer, the Chief Executive 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 Responsible Officer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12th December 2019 and signed on its behalf by:

Mrs H K Dicker MBE
Chair of Trustees

Mrs L A Gwinnett
Accounting Officer

Endeavour Learning Trust

Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2019

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

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

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

Mrs L A Gwinnett
Accounting officer

Date: 12th December 2019

Endeavour Learning Trust

Statement of Trustees' Responsibilities

Year Ended 31st August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and 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 operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on the 12th December 2019 and signed on its behalf by:

Mrs H K Dicker MBE
Chair of Trustees

Endeavour Learning Trust

Independent Auditor's Report to the Members of Endeavour Learning Trust

Year Ended 31st August 2019

Opinion

We have audited the financial statements of Endeavour Learning Trust (the 'Academy Trust') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other Information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

(Continued)

Endeavour Learning Trust

Independent Auditor's Report to the Members of Endeavour Learning Trust

Year Ended 31st August 2019

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

(Continued)

Endeavour Learning Trust

Independent Auditor's Report to the Members of Endeavour Learning Trust

Year Ended 31st August 2019

Auditor's 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 auditor's 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 auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Robert Mitchell ACA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16th December 2019

Endeavour Learning Trust

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

Year Ended 31st August 2019

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

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

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of Annex B of the Academies Accounts Direction 2018 to 2019 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Endeavour Learning Trust

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

Year Ended 31st August 2019

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 from the 1st September 2018 to the 31st August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mr Robert Mitchell ACA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16th December 2019

Endeavour Learning Trust

Statement of Financial Activities (including Income and Expenditure Account)

Year Ended 31st August 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	-	127	1,224	1,351	171
Transfer from local authority on conversion	29	693	(3,206)	8,534	6,021	-
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,778	-	8,778	3,005
Teaching schools	30	54	48	-	102	77
Other trading activities	4	1,730	-	-	1,730	1,176
Investments	5	2	-	-	2	1
Total		2,479	5,747	9,758	17,984	4,430
Expenditure on:						
Charitable activities:						
Academy trust's educational operations	7	1,652	8,945	362	10,959	4,367
Teaching schools	30	75	51	-	126	77
Total		1,727	8,996	362	11,085	4,444
Net income/(expenditure)		752	(3,249)	9,396	6,899	(14)
Transfers between funds	16	-	(69)	69	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	16, 26	-	(1,482)	-	(1,482)	282
Net movement in funds		752	(4,800)	9,465	5,417	268
Reconciliation of funds:						
Total funds brought forward	16	549	(740)	8,073	7,882	7,614
Total funds carried forward	16	1,301	(5,540)	17,538	13,299	7,882

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Endeavour Learning Trust

Balance Sheet

Year Ended 31st August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	12		17,497		8,038
Current assets					
Debtors	13	1,585		270	
Cash at bank and in hand		<u>3,079</u>		<u>1,041</u>	
		4,664		1,311	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(2,612)</u>		<u>(505)</u>	
Net current assets			<u>2,052</u>		<u>806</u>
Total assets less current liabilities			19,549		8,844
Creditors: Amounts falling due after more than one year	15		(121)		(16)
Net assets excluding pension liability			<u>19,428</u>		<u>8,828</u>
Defined benefit pension scheme liability	26		(6,129)		(946)
Net assets including pension liability			<u>13,299</u>		<u>7,882</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	17,538		8,073	
Restricted income fund	16	589		206	
Pension reserve	16	<u>(6,129)</u>		<u>(946)</u>	
Total restricted funds			11,998		7,333
Unrestricted income funds	16		1,301		549
Total funds			<u>13,299</u>		<u>7,882</u>

The financial statements on pages 23 to 53 were approved by the trustees, and authorised for issue on the 12th December 2019 and are signed on their behalf by:

Mrs H K Dicker MBE
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07848372

Endeavour Learning Trust

Statement of Cash Flows

Year Ended 31st August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	1,994	(8)
Cash flows from investing activities	22	(61)	18
Cash flows from financing activities	21	105	(6)
Change in cash and cash equivalents in the reporting period		<u>2,038</u>	<u>4</u>
Cash and cash equivalents at 1st September 2018		1,041	1,037
Cash and cash equivalents at 31st August 2019	23	<u>3,079</u>	<u>1,041</u>

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

1 Accounting policies

General information and basis of preparation

Endeavour Learning Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Hesketh Lane, Tarleton, Preston, PR4 6AQ. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

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

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

Going concern

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

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

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 period 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 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.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

1 Accounting policies (continued)

Income (continued)

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer on conversion within Donations and capital grant income to the net assets received. The leasehold buildings of Burscough Priory Academy were valued by Lancashire County Council in July 2018 in accordance with CIPFA requirements. The leasehold buildings of Churchtown Primary School were valued by Sefton Borough Council in March 2017 on a depreciated replacement cost basis.

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.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

1 Accounting policies (continued)

Expenditure (continued)

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold buildings	2% straight line
Leasehold buildings	2% straight line
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 assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

The building valuation of Tarleton Academy represents the value of freehold assets as per the ESFA valuation carried out by third party contractor DTZ. In this valuation the freehold buildings were valued at £5,810,000. The leasehold buildings of Burscough Priory Academy were valued by Lancashire County Council in July 2018 in accordance with CIPFA requirements. The leasehold buildings of Churchtown Primary School were valued by Sefton Borough Council in March 2017 on a depreciated replacement cost basis. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 50 year period (note 12).

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

1 Accounting policies (continued)

Agency arrangements

The Academy Trust acts as an agent in distributing School Centred Initial Teacher Training (SCITT) Bursary funding to student teachers. Payments received from the Department for Education and subsequent disbursements to students are excluded from the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Burscough Priory Academy and Churchtown Primary School to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

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.

Leased assets

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

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

1 Accounting policies (continued)

Financial instruments (continued)

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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

Year Ended 31st August 2019

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 and include grants from the Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	1,224	1,224	76
Trips and other non public funds	-	127	127	95
	<u>-</u>	<u>1,351</u>	<u>1,351</u>	<u>171</u>

Income from donations and capital grants was £1,351,000 (2018 - £171,000) of which £nil (2018 - £nil) was attributable to unrestricted funds, £127,000 (2018 - £95,000) was attributable to restricted general funds and £1,224,000 (2018 - £76,000) was attributable to restricted fixed asset funds.

£1,224,000 (2018 - £66,000) of government grants were received for capital and maintenance works.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,797	7,797	2,612
Start-up grants	-	136	136	150
Other DfE Group grants	-	590	590	98
	<u>-</u>	<u>8,523</u>	<u>8,523</u>	<u>2,860</u>
Other Government grants				
Local Authority grants	-	152	152	20
Special educational projects	-	103	103	125
	<u>-</u>	<u>255</u>	<u>255</u>	<u>145</u>
Other income from the Academy Trust's educational operations	-	-	-	-
	<u>-</u>	<u>8,778</u>	<u>8,778</u>	<u>3,005</u>

Funding for Academy Trust's educational operations was £8,778,000 (2018 - £3,005,000) of which £nil (2018 - £nil) was attributable to unrestricted funds, £8,778,000 (2018 - £3,005,000) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

£8,778,000 (2018 - £3,005,000) of government grants were received for the purposes of the day to day running costs of the academy and its charitable objectives.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Catering income	367	-	367	130
Community and recreation	133	-	133	47
WLSP income	612	-	612	555
Chromebook income	47	-	47	53
SCITT income	219	-	219	39
Facilities and pool hire	150	-	150	112
Income from other schools	202	-	202	240
	<u>1,730</u>	<u>-</u>	<u>1,730</u>	<u>1,176</u>

Income from other trading activities was £1,730,000 (2018 - £1,176,000) of which £1,730,000 (2018 - £1,176,000) was attributable to unrestricted funds, £nil (2018 - £nil) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

Investment income was £2,000 (2018 - £1,000) of which £2,000 (2018 - £1,000) was attributable to unrestricted funds, £nil (2018 - £nil) was attributable to restricted general funds and £nil (2018 - £nil) was attributable to restricted fixed asset funds.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2019 £000	Total 2018 £000
		Premises £000	Other Costs £000		
Academy Trust's educational operations					
Direct costs	5,624	362	1,145	7,131	2,943
Allocated support costs	2,259	874	695	3,828	1,424
Teaching School:					
Direct costs	88	-	14	102	54
Allocated support costs	15	-	9	24	23
	<u>7,986</u>	<u>1,236</u>	<u>1,863</u>	<u>11,085</u>	<u>4,444</u>

£1,727,000 (2018 - £1,088,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £8,996,000 (2018 - £3,146,000) was attributable to restricted general funds and £362,000 (2018 - £210,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2019 £000	2018 £000
Operating lease rentals	48	28
Depreciation	362	210
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to the auditor for:		
Audit	12	4
Other services	10	2
	<u>432</u>	<u>244</u>

No transactions have taken place under Section 3.1.2 of the 2018 Academies Financial Handbook which require additional disclosure.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

7 Charitable activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	7,131	2,943
Direct costs – teaching school	102	54
Support costs – educational operations	3,828	1,424
Support costs – teaching school	24	23
	<hr/>	<hr/>
	11,085	4,444

Analysis of support costs	Educational operations £000	Teaching school £000	Total 2019 £000	Total 2018 £000
Support staff costs	2,259	15	2,274	984
Premises costs	874	-	874	288
Catering costs	293	-	293	59
Other support costs	377	9	386	100
Governance costs	25	-	25	16
Total support costs	<hr/>	<hr/>	<hr/>	<hr/>
	3,828	24	3,852	1,447

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

8 Staff

(a) Staff costs

	2019	2018
	£000	£000
Staff costs during the period were:		
Wages and salaries	5,665	2,207
Social security costs	536	216
Pension costs	1,487	473
	<u>7,688</u>	<u>2,896</u>
Apprenticeship levy	13	-
Agency staff costs	211	23
Staff restructuring costs	74	14
	<u>7,986</u>	<u>2,933</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	74	14
Other restructuring costs	-	-
	<u>74</u>	<u>14</u>

(b) Non-statutory / non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £74,000 (2018 - £14,000). Individually, the payments were for £18,000, £13,000 (x2), £12,000, £10,000, £5,000 and £3,000 (2018- £14,000).

(c) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

	2019	2018
	Full-time equivalent	Full-time equivalent
Teachers	85	33
Administration and support	68	24
Management	16	8
	<u>169</u>	<u>65</u>

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

8 Staff (continued)

(d) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
	<u>4</u>	<u>2</u>

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the executive team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by the executive personnel for their services to the Academy Trust was £382,115.

9 Central services

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

- School Improvement
- Executive Support, Pastoral/Behaviour/Safeguarding and Attendance Management
- Accountants Function, Audit and Financial Returns
- Finance, Payroll/HR and Personnel Function
- Legal and Clerking Advice
- Central Policies/Website Development, CPD Opportunities and Central DPO
- Health and Safety and Estate Management Advice
- Strategic IT Support and Data Analysis

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

A charge on ESFA recurrent income based on the following percentages:

- Tarleton Academy 5%
- Burscough Priory Academy 7%
- Churchtown Primary School 5%

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Tarleton Academy	148	-
Burscough Priory Academy	237	-
Churchtown Primary School (7 months)	87	-
	<u>472</u>	<u>-</u>

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

10 Related party transactions - Trustees' remuneration and expenses

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

L A Gwinnett (Headteacher and trustee) (retired as director 25th April 2019):

Remuneration	£70,000 - £75,000. (2018: £95,000 - £100,000)
Employers' pension contributions	£11,000 - £15,000. (2018: £15,000 - £20,000)

During the year ended 31st August 2019, no travel and subsistence expenses were reimbursed or paid directly to trustees (2018: £nil to trustees).

Other related party transactions involving the trustees are set out in note 27.

11 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.

12 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Fixtures £000	Computer and Equipment £000	Total £000
Cost					
At 1 September 2018	8,842	-	231	354	9,427
Transfer on conversion	-	8,534	-	-	8,534
Additions	637	574	55	21	1,287
Disposals	-	-	-	-	-
At 31 st August 2019	9,479	9,108	286	375	19,248
Depreciation					
At 1 st September 2018	984	-	147	258	1,389
Charged in period	157	154	21	30	362
Disposals	-	-	-	-	-
At 31 August 2019	1,141	154	168	288	1,751
Net book values					
At 31 st August 2018	7,858	-	84	96	8,038
At 31 st August 2019	8,338	8,954	118	87	17,497

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

13 Debtors

	2019	2018
	£000	£000
Trade debtors	292	152
VAT recoverable	207	27
ESFA Capital Improvement Fund (CIF) debtors	921	-
Other debtors	46	57
Prepayments and accrued income	119	34
	<u>1,585</u>	<u>270</u>

14 Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	1,146	130
Other taxation and social security	157	54
Loans	7	7
Other creditors	248	56
Accruals and deferred income	1,054	258
	<u>2,612</u>	<u>505</u>

15 Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Loans	121	16
	<u>121</u>	<u>16</u>

Other creditors relate to loans received to fund projects in the trust funded via the ESFA Salix/CIF loan schemes. The cost of repaying the loan will be offset by efficiency savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the Salix loan and are via monthly repayment on the CIF loans.

The total repayable after more than five years is £44,000.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

16 Funds

	Balance at 1 st September 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	50	7,797	(7,244)	(69)	534
Start-up grant	93	136	(229)	-	-
Pupil premium	-	239	(239)	-	-
Other DfE/ESFA grants	-	351	(351)	-	-
Local Authority grants	-	152	(152)	-	-
Teaching school	29	48	(51)	-	26
Other grants	-	103	(103)	-	-
Pension reserve	(946)	(3,206)	(495)	(1,482)	(6,129)
Other restricted funds	34	127	(132)	-	29
	(740)	5,747	(8,996)	(1,551)	(5,540)
Restricted fixed asset funds					
Transfer on conversion	-	8,534	-	(8,534)	-
DfE/ESFA capital grants	35	1,224	-	(1,218)	41
Capital expenditure post conversion from GAG and other funds	2,065	-	(92)	1,287	3,260
Building valuation	5,973	-	(270)	8,534	14,237
	8,073	9,758	(362)	69	17,538
Total restricted funds	7,333	15,505	(9,358)	-	11,998
Total unrestricted funds	549	2,479	(1,727)	-	1,301
Total funds	7,882	17,984	(11,085)	(1,482)	13,299

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2019. At the period end the carry forward of GAG funding was £534,000.

Other DfE/ESFA grants include monies received outside of GAG funding for example the Teacher Pay Grant. At the period end all these funds had been spent in full.

Local Authority grants represent amounts payable to the Academy predominantly from the County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31st August 2019 these funds had been spent in full.

The National College and Teaching School grants include income received in relation to the Teaching School status the Trust has obtained. Teaching schools give outstanding schools a leading role in the training and professional development of teachers, support staff and headteachers, as well as contributing to the raising of standards through school-to-school support. As at the year end £26,000 of the funding received was unspent.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

16 Funds (continued)

Other restricted funds include monies from trips & non public funds. As at the year end the balance carried forward toward future trip contributions was £29,000.

The pension reserve represents the value of the Trust's share of the deficit in the Local Government Pension Scheme. The value of the deficit had increased to £6,129,000 at the 31st August 2019.

DfE/ESFA capital grants represent capital monies received during the period from the ESFA, predominantly from the Capital Improvement Fund (CIF). As at the 31st August 2019 £41,000 of these funds remained unspent and will be used in the 2019/20 academic year.

The ESFA building valuation represents the value of freehold/leasehold assets of each school. The buildings of Tarleton were valued as per the ESFA valuation carried out by third party contractor DTZ. In this valuation the freehold buildings were valued at £5,810,000. The land being separately valued at £1,000,000. The leasehold buildings of Burscough Priory Academy were valued by Lancashire County Council in July 2018 in accordance with CIPFA requirements. The leasehold buildings of Churchtown Primary School were valued by Sefton Borough Council in March 2017 on a depreciated replacement cost basis. The assets were valued using a depreciated replacement cost model and are to be depreciated over a 50 year period.

Other capital expenditure represents the value of other assets purchased by the trust above the capitalisation threshold. These will be depreciated in line with the accounting policies set out in note 1.

Unrestricted funds represent funds generated via activities such as from Teaching School activities and other school to school support, lettings, catering and the activities of West Lancashire Sports Partnership (WLSP). It also includes funds brought forward from predecessor schools on conversion to academy status. The surplus on this fund at the period end was £1,301,000 and these funds can be used at the discretion of the Trustees to meet the charitable objectives of the Academy.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

16 Funds (continued)

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

	Balance at 1 st September 2017 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,612	(2,544)	(18)	50
Start-up grant	-	150	(57)	-	93
Pupil premium	-	89	(89)	-	-
Other DfE/ESFA grants	11	9	(20)	-	-
Local Authority grants	-	20	(20)	-	-
Teaching school	50	56	(77)	-	29
Other Grants	-	125	(125)	-	-
Other restricted funds	41	95	(102)	-	34
Pension reserve	(1,116)	-	(112)	282	(946)
	(1,014)	3,156	(3,146)	264	(740)
Restricted fixed asset funds					
DfE/ESFA capital grants	-	76	-	(41)	35
Capital expenditure from GAG and other funds	1,704	-	(94)	455	2,065
ESFA building valuation	6,089	-	(116)	-	5,973
	7,793	76	(210)	414	8,073
Total restricted funds	6,779	3,232	(3,356)	678	7,333
Total unrestricted funds	835	1,198	(1,088)	(396)	549
Total funds	7,614	4,430	(4,444)	282	7,882

Total funds analysis by academy

Fund balances at 31st August 2019 were allocated as follows:

	2019 £000	2018 £000
Tarleton Academy	880	754
Burscough Priory Academy	259	-
Churchtown Primary School	542	-
Central services	209	-
Total before fixed assets and pension reserve	1,890	754
Restricted fixed asset fund	17,538	8,074
Pension reserve	(6,129)	(946)
Total	13,299	7,882

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

16 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000	Total 2018 £000
Tarleton Academy	1,845	761	574	864	4,044	4,234
Burscough Priory Academy	2,168	603	44	591	3,406	-
Churchtown Primary School	1,373	553	26	235	2,187	-
Central services	326	357	-	403	1,086	-
Academy Trust	5,712	2,274	644	2,093	10,723	4,234

17 Analysis of net assets between funds

Fund balances at 31st August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	17,497	17,497
Current assets	1,301	3,322	41	4,664
Current liabilities	-	(2,612)	-	(2,612)
Non-current liabilities	-	(121)	-	(121)
Pension scheme liability	-	(6,129)	-	(6,129)
Total net assets	1,301	(5,540)	17,538	13,299

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

17 Analysis of net assets between funds (continued)

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	8,038	8,038
Current assets	549	727	35	1,311
Current liabilities	-	(505)	-	(505)
Non-current liabilities	-	(16)	-	(16)
Pension scheme liability	-	(946)	-	(946)
Total net assets	<u>549</u>	<u>(740)</u>	<u>8,073</u>	<u>7,882</u>

18 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	<u>41</u>	<u>34</u>

19 Commitments under operating leases

Operating leases

At 31st August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	37	33
Amounts due between one and five years	13	33
Amounts due after five years	-	-
	<u>50</u>	<u>66</u>

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

20 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2019	2018
	£000	£000
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(1,635)	(14)
Adjusted for:		
Depreciation (note 12)	362	210
Capital grants from DfE and other capital income	(1,224)	(76)
Interest receivable (note 5)	(2)	(1)
Defined benefit pension scheme obligation inherited	3,206	-
Defined benefit pension scheme cost less contributions payable (note 26)	414	87
Defined benefit pension scheme finance cost (note 26)	81	25
(Increase) in debtors	(1,315)	(188)
Increase/(decrease) in creditors	2,107	(51)
Net cash provided by/(used in) operating activities	1,994	(8)

21 Cash flows from financing activities

	2019	2018
	£000	£000
Repayments of borrowing	(6)	(6)
Cash inflows from borrowing	111	-
Net cash provided by/(used in) financing activities	105	(6)

22 Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	2	-
Purchase of tangible fixed assets	(1,287)	(59)
Capital grants from DfE/ESFA	1,224	66
Capital funding received from sponsors and others	-	11
Net cash (used in)/provided in investing activities	(61)	18

23 Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	3,079	1,041
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	3,079	1,041

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

24 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the School is required to either re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

25 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.

26 Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £127,000 (2018: £42,000) were payable to the schemes at 31st August 2019 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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

Not less than every four years 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.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

26 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The latest actuarial valuation of the TPS was carried out as at 31st 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 9th 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; and
- 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% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st September 2019.

The pension costs paid to TPS in the period amounted to £988,000 (2018: £374,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2019 was £450,000 (2018: £165,000), of which employer's contributions totalled £356,000 (2018: £124,000), and employees' contributions totalled £94,000 (2018: £41,000). The agreed contribution rates for future years are set out as for employers and the rate for employees remains dependant on the salary of the employee:

Tarleton Academy 17.5%

Burscough Priory Academy 15.1%

Churchtown Primary School 17.7%

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

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 st August 2019	At 31 st August 2018
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment/inflation	2.1%	2.2%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.0%	2.1%

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

	At 31 st August 2019	At 31 st August 2018
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.5	25.4
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	28.2	28.0

Sensitivity analysis

	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
Central £000	+0.1% pa discount rate £000	+0.1% pa inflation £000	+0.1% pa pay growth £000	1 year inc in life expectancy £000
Liabilities	10,067	9,843	10,296	10,243
Assets	(3,938)	(3,938)	(3,938)	(3,938)
Deficit	6,129	5,905	6,358	6,305
Projected service cost	814	795	834	829
Projected net interest	106	108	110	110

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

	Fair value at 31 st August 2019	Fair value at 31 st August 2018
Equities	1,915	791
Government bonds	101	61
Other bonds	102	11
Property	348	166
Cash and other liquid assets	85	16
Other	1,387	757
Total market value of assets	3,938	1,802

The actual return on scheme assets was £397,000 (2018: £98,000).

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2019	2018
	£000	£000
Current service cost (net of employee contributions)	(120)	(84)
Past service cost	(286)	-
Interest income	83	41
Interest expense	(164)	(66)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(8)	(3)
	<hr/>	<hr/>
Total operating charge	(495)	(112)

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

	2019	2018
	£000	£000
At 1st September	2,748	2,669
Conversion of academy	4,543	-
Current service cost	476	208
Past service cost	286	-
Interest cost	164	66
Employee contributions	94	41
Actuarial loss/(gain)	1,795	(226)
Benefits paid	(39)	(10)
Losses or gains on curtailments	-	-
Past service costs	-	-
Effect of non-routine transactions	-	-
	<hr/>	<hr/>
At 31st August	10,067	2,748

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

	2019	2018
	£000	£000
At 1st September	1,802	1,553
Conversion of academy	1,337	-
Interest income	83	41
Return on plan assets (excluding interest income)	-	-
Assets distributed on settlements	-	-
Actuarial gain	313	56
Employer contributions	356	124
Employee contributions	94	41
Benefits paid	(39)	(10)
Effect of non-routine settlements	-	-
Administrative expenses	(8)	(3)
	<hr/>	<hr/>
At 31st August	3,938	1,802

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

27 Related Party Transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

28 Agency arrangements

The Academy distributes School Centred Initial Teacher Training (SCITT) Bursary funding to student teachers as an agent for the Department for Education. In the accounting year ending 31st August 2019, the trust received £480,200 (2018: £97,500) and disbursed £480,200 (2018: £97,500) from the fund.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

29 Conversion to an Academy Trust

Burscough Priory Academy

On the 1st September 2018 the Burscough Priory Science College converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Endeavour Learning Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain/loss in the Statement of Financial Activities as Donations – transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	6,489	6,489
Current assets				
Cash -representing budget surplus on other school funds	173	-	-	173
LGPS pension (deficit)	-	(660)	-	(660)
Net assets	<u>173</u>	<u>(660)</u>	<u>6,489</u>	<u>6,002</u>

The leasehold buildings of Burscough Priory Academy were valued by Lancashire County Council in July 2018 in accordance with CIPFA requirements.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

29 Conversion to an Academy Trust (continued)

Churchtown Primary School

On 1st February 2019 Churchtown Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Endeavour Learning Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain/loss in the Statement of Financial Activities as Donations – transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	2,045	2,045
Current assets				
Cash – representing budget surplus on other school funds	520	-	-	520
LGPS pension (deficit)	-	(2,546)	-	(2,546)
Net assets	<u>520</u>	<u>(2,546)</u>	<u>2,045</u>	<u>19</u>

The leasehold buildings of Churchtown Primary School were valued by Sefton Borough Council in March 2017 on a depreciated replacement cost basis.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31st August 2019

30 Teaching school trading account

	2019 £000	2019 £000	2019 £000	2018 £000	2018 £000	2018 £000
Income						
<i>Direct income:</i>						
Grant income		48			56	
<i>Other income:</i>						
Trading activities		54			21	
Total income			102			77
Expenditure						
<i>Direct costs:</i>						
Direct staff costs	88			38		
Staff development	14			16		
Total direct costs		102			54	
<i>Other costs:</i>						
Support staff costs	15			17		
Travel costs	1			1		
Advertising	1			1		
Conference and meeting costs	7			4		
Total other costs		24			23	
Total expenditure			(126)			(77)
Transfers between funds excluding depreciation			-			-
Surplus/(deficit) from all sources			(24)			-
Teaching school balances brought forward			50			50
Teaching school balances carried forward			26			50