

**Endeavour Learning Trust**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**

**Year Ended 31<sup>st</sup> August 2018**

**Endeavour Learning Trust**  
**Annual Report and Financial Statements**  
**Year Ended 31<sup>st</sup> August 2018**

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	10
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report to the Members	15
Independent Reporting Accountant's Assurance Report on Regularity	18
Statement of Financial Activities incorporating Income & Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23

**Endeavour Learning Trust**

**Reference and Administrative Details**

**Year Ended 31<sup>st</sup> August 2018**

Members	Mrs H K Dicker MBE Mr G Lloyd Mrs K Passant Mr R Sachs
Trustees	Mrs C Adams (appointed 19 <sup>th</sup> April 2018) Mr D Baldwin Mrs H K Dicker MBE Mrs L A Gwinnett 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 Mr M Cunniffe Mr J Christie Mr T Houghton Mr S Barnard
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 31<sup>st</sup> August 2018**

Bankers

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

Solicitors

Hill Dickinson  
No 1 St Paul's Square  
Liverpool  
L3 9SJ

## **Endeavour Learning Trust**

### **Trustees' Report**

#### **Year Ended 31<sup>st</sup> August 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1<sup>st</sup> September 2017 to the 31<sup>st</sup> August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

During the year covered by the report, Endeavour Learning Trust (ELT) consisted of a single academy, Tarleton Academy. During this period the Trust was preparing for the expansion of the Multi Academy Trust (MAT). In addition, Endeavour Learning Trust has entered into a service level agreement with Lancashire County Council in the leadership of Wellfield High School, a small school in Leyland with falling rolls and serious legacy leadership issues.

During the year, ELT was appointed the preferred sponsor of Burscough Priory Science College and this conversion took place on 1<sup>st</sup> September 2018. The Governors' of Churchtown Primary School in Sefton also voted to join ELT and this is planned for early 2019.

Following the appointment of Mrs Gwinnett as a National Leader of Education (NLE) a number of other commissions have been received including school improvement diagnostics and subsequent action planning and support for schools in challenging circumstances including support for a MAT in Cumbria and other local schools.

Our Teaching School Alliance continues to drive a number of significant networks including an Executive Headteachers' group, senior leaders' networks for CPD, SEND, curriculum and assessment and CEIAG. 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.

### **1. 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 10).

#### **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.

Trustees are appointed for 4 years and may be reappointed.

## **Endeavour Learning Trust**

### **Trustees' Report**

#### **Year Ended 31<sup>st</sup> August 2018**

##### **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 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 Committees, 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 also serves as a Trustee.

The Trust has set up a Resources and Audit committee, where decisions of the Academy may be made prior to being ratified in Trust meetings. Financial decisions are subject to the rules contained in the Academy'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 Governing Body and has a clear Scheme of Delegation for those powers which are delegated to the Local Governing Board, the Resources and Audit committee and the management team of the school.

##### **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 school 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 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. 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 Academy 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. We feel that the Trust is on the verge of an expansion, in which we aim 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 31<sup>st</sup> August 2018**

#### **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.

#### **Strategic report**

#### **3. Achievements and Performance**

Tarleton Academy again secured outstanding GCSE results in an environment of more rigorous, new specification GCSEs.

The achievements of our disadvantaged students have improved significantly to put their progress in line with that of the average student across the country.

For the first time in a number of years there were more applicants than there were places at Tarleton Academy and this trend looks set to continue.

We have grown our 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 Development, attendance, CEIAG and SEND.

Our SCITT partnership with Golborne High School and Ormskirk School continues to provide excellent training for graduates.

There has been an 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 1<sup>st</sup> 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.

## Endeavour Learning Trust

### Trustees' Report

Year Ended 31<sup>st</sup> August 2018

#### 3.1 Key Performance Indicators

Attainment and progress at the end of Key Stage Four is consistently above average, and reflects a rising trend.

	Attainment 8 Score	National	Progress 8 score
2015	51.99	48.2	0.35
2016	52.4	49.8	0.37
2017	49.67	44.2	0.26
2018	49.9	44.3	0.28

In 2018, for Progress 8, the Academy was placed in the top 15% out of all secondary schools in Lancashire. Nationally for Progress 8, the Academy was placed in the top 25% of all schools and for Attainment 8 was in the top 30% of all schools.

	2017	National Average	2018	National Average
Percentage of students achieving grade 5 or above in English and Maths	48%	39.1%	46%	39.9%
Percentage of students achieving grade 4 or above in English and Maths	73%	63.3%	72%	63.9%
Percentage of students entered for the English Baccalaureate (EBacc)	23.4%	34.9%	19%	35.1%
Percentage of students achieving the English Baccalaureate (EBacc)	15%	19.5%		This is no longer a measure

#### 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 (note 1).

#### 4. Financial Review

##### 4.1 Operating and Financial Review

The Academy's 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.



## **Endeavour Learning Trust**

### **Trustees' Report**

#### **Year Ended 31<sup>st</sup> August 2018**

##### **4.2 Reserves Policy**

The Trustees are satisfied that, having reviewed robust budgets for the next two years, the Trust has sufficient reserves to absorb future anticipated deficits forecast until September 2020 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 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 Academy 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 Academy. There is a formal process for identifying, evaluating and managing the Academy's significant risks. A formal review of risks identifying the management of the risks is carried out annually. 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 2017/18, there were no material findings by the Responsible Officer or external auditors.

## Endeavour Learning Trust

### Trustees' Report

Year Ended 31<sup>st</sup> August 2018

#### 5. Plans for Future Periods

The Trust plans to grow steadily, taking on schools with a similar ethos. Having been identified as the sponsor for Burscough Priory Science College and the chosen Trust for Churchtown Primary School, no other school joined the Trust before 31<sup>st</sup> August 2018.

#### 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 the ~~6<sup>th</sup> December 2018~~ and signed on the board's behalf by:



Mrs H K Dicker MBE  
Chair of Trustees

## Endeavour Learning Trust

### Governance Statement

Year Ended 31<sup>st</sup> August 2018

#### 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Endeavour 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	5	5
Mrs H K Dicker MBE	5	5
Mr R Sachs	3	5
Mrs S Stoker	4	5
Mrs J Smitton	4	5
Mr D Baldwin	2	5
Mrs C Adams	1	1

The addition of Mrs Adams to the Board was made in order to expand the educational knowledge of the Board. As Headteacher of a successful primary school, Mrs Adams was able to add significant input to the process involving the selection of Churchtown Primary School to the MAT.

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.

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 as follows.

## **Endeavour Learning Trust**

### **Governance Statement**

#### **Year Ended 31<sup>st</sup> August 2018**

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.

The Academy has experienced an increase in pupil numbers due to the growing popularity of our school as a result of our year on year high and increasing levels of success in our reputation and our outcomes for students. Previously, an additional area in the playground was tarmaced in order to create additional eating and playground spaces for students. Outdoor dining tables have been purchased in this financial year to enhance the use of this space. The academy was successful in obtaining a grant to subsidise this expense with a grant of £10,000 from Awards for All.

Following a programme of toilet refurbishment, investment in capital works has taken place to address the areas of school which are at risk of Legionella. By undertaking these works there will be a long term saving in the maintenance of the schools' water system.

For a number of years the number of students travelling from the Southport area has increased. Parents are choosing Tarleton Academy even though it is not their nearest school. There is no Local Authority school transport provision and the Academy has responded to demands of parents by providing transport. As a result of the increase in demand the Academy has had to increase provision from a minibus to a coach.

The Academy has continued to invest in its IT infrastructure to enhance the efficiency of the network (£5,229). There has also been investment in IT hardware for example, laptops and school owned chrome books to facilitate the efficient management of information (£11, 592).

The Academy has invested in Continuous Professional Development of staff. It has invested in external training provision to accredit staff with qualifications that can be used to generate income for the Academy by providing training courses to other organisations. The accreditation has also been used to enhance the SCITT programme and has contributed to schools in challenging circumstances by training the next generation of teachers in shortage subjects.

#### **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 31<sup>st</sup> August 2018 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 31<sup>st</sup> August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **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:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust;

## Endeavour Learning Trust

### Governance Statement

#### Year Ended 31<sup>st</sup> August 2018

- 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 has decided not to appoint an internal auditor. However, the Trustees have 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.

#### 7.7 Review of Effectiveness

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

- The work of the 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 the 6<sup>TH</sup> DECEMBER 2018 and signed on its behalf by:



Mrs H K Dicker MBE  
Chair of Trustees



Mrs L A Gwinnett  
Accounting Officer

**Endeavour Learning Trust**

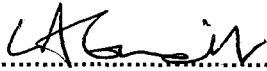
**Statement on Regularity, Propriety and Compliance**

**Year Ended 31<sup>st</sup> August 2018**

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 2017.

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 2017.

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



.....  
**Mrs L A Gwinnett**  
**Accounting officer**

Date: 6TH DECEMBER 2018

## Endeavour Learning Trust

### Statement of Trustees' Responsibilities

Year Ended 31<sup>st</sup> August 2018

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 2017 to 2018;
- make judgements and 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 6TH DECEMBER 2018 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 31<sup>st</sup> August 2018**

#### **Opinion**

We have audited the financial statements of Endeavour Learning Trust (the 'Academy Trust') for the year ended 31<sup>st</sup> August 2018 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 2017 to 2018 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 31<sup>st</sup> August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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. 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 31<sup>st</sup> August 2018**

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 14, 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 31<sup>st</sup> August 2018

#### 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](http://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.

  
.....  
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: 12/12/2018 .....

## **Endeavour Learning Trust**

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

#### **Year Ended 31<sup>st</sup> August 2018**

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

This report is made solely to Endeavour 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's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1<sup>st</sup> September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 9.4 of the Academies Accounts Direction 2017 to 2018 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 31<sup>st</sup> August 2018**

**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 1<sup>st</sup> September 2017 to the 31<sup>st</sup> August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Date: .....*12/12/2018*.....

**Endeavour Learning Trust**

**Statement of Financial Activities (including Income and Expenditure Account)**

**Year Ended 31<sup>st</sup> August 2018**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	95	76	171	332
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	3,005	-	3,005	2,951
Teaching schools	28	21	56	-	77	60
Other trading activities	4	1,176	-	-	1,176	802
Investments	5	1	-	-	1	1
<b>Total</b>		<b>1,198</b>	<b>3,156</b>	<b>76</b>	<b>4,430</b>	<b>4,146</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust's educational operations	7	1,088	3,069	210	4,367	4,138
Teaching schools	28	-	77	-	77	10
Other		-	-	-	-	-
<b>Total</b>		<b>1,088</b>	<b>3,146</b>	<b>210</b>	<b>4,444</b>	<b>4,148</b>
<b>Net income/(expenditure)</b>		<b>110</b>	<b>10</b>	<b>(134)</b>	<b>(14)</b>	<b>(2)</b>
<b>Transfers between funds</b>	15	<b>(396)</b>	<b>(18)</b>	<b>414</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	15, 25	-	282	-	282	565
<b>Net movement in funds</b>		<b>(286)</b>	<b>274</b>	<b>280</b>	<b>268</b>	<b>563</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	835	(1,014)	7,793	7,614	7,051
<b>Total funds carried forward</b>	15	<b>549</b>	<b>(740)</b>	<b>8,073</b>	<b>7,882</b>	<b>7,614</b>

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 31<sup>st</sup> August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Tangible assets	11		8,038		8,189
<b>Current assets</b>					
Debtors	12	270		82	
Cash at bank and in hand		1,041		1,037	
		<u>1,311</u>		<u>1,119</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(505)</u>		<u>(563)</u>	
<b>Net current assets</b>			<u>806</u>		<u>556</u>
<b>Total assets less current liabilities</b>			8,844		8,745
Creditors: Amounts falling due after more than one year	14		(16)		(15)
<b>Net assets excluding pension liability</b>			<u>8,828</u>		<u>8,730</u>
Defined benefit pension scheme liability	25		(946)		(1,116)
<b>Net assets including pension liability</b>			<u>7,882</u>		<u>7,614</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	8,073		7,793	
Restricted income fund	15	206		102	
Pension reserve	15	<u>(946)</u>		<u>(1,116)</u>	
<b>Total restricted funds</b>			7,333		6,779
<b>Unrestricted income funds</b>	15		549		835
<b>Total funds</b>			<u>7,882</u>		<u>7,614</u>

The financial statements on pages 20 to 47 were approved by the trustees, and authorised for issue on the ~~6th~~ <sup>6th</sup> DECEMBER 2018 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 31<sup>st</sup> August 2018**

	Notes	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(8)	207
<b>Cash flows provided by/(used in) investing activities</b>	21	18	(38)
<b>Cash flows from financing activities</b>	20	(6)	(7)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>4</u>	<u>162</u>
<b>Cash and cash equivalents at 1<sup>st</sup> September 2017</b>		1,037	875
<b>Cash and cash equivalents at 31<sup>st</sup> August 2018</b>	22	<u>1,041</u>	<u>1,037</u>

# Endeavour Learning Trust

## Notes to the Financial Statements

### Year Ended 31<sup>st</sup> August 2018

#### 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 2017 to 2018 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 31<sup>st</sup> August 2018

##### 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".

###### Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

# Endeavour Learning Trust

## Notes to the Financial Statements

### Year Ended 31<sup>st</sup> August 2018

#### 1 Accounting policies (continued)

##### 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% on cost
Fixtures and fittings	20% on reducing balance
Computer equipment	25% on reducing balance

Assets in the course of construction are included at cost. Depreciation on these 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 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 assets were valued using a depreciated replacement cost model and are to be depreciated over a 50 year period (note 11).

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

##### 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 27.

###### 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 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. 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.

## **Endeavour Learning Trust**

### **Notes to the Financial Statements**

#### **Year Ended 31<sup>st</sup> August 2018**

##### **1 Accounting policies (continued)**

###### **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 31<sup>st</sup> August 2018

##### 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31<sup>st</sup> March 2016 has been used by the actuary in valuing the pensions liability at 31<sup>st</sup> August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

#### 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	76	76	251
Other donations	-	-	-	3
Trips and other non public funds	-	95	95	78
	<u>-</u>	<u>171</u>	<u>171</u>	<u>332</u>

Income from donations and capital grants was £171,000 (2017 - £332,000) of which £nil (2017 - £nil) was attributable to unrestricted funds, £95,000 (2017 - £81,000) was attributable to restricted general funds and £76,000 (2017 - £251,000) was attributable to restricted fixed asset funds.

£66,000 (2017 - £251,000) 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 2018 £000	Total 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,612	2,612	2,630
Pre-opening grants	-	150	150	-
Other DfE Group grants	-	98	98	234
	<u>-</u>	<u>2,860</u>	<u>2,860</u>	<u>2,864</u>
<b>Other Government grants</b>				
Local authority grants	-	20	20	4
Special educational projects	-	125	125	83
	<u>-</u>	<u>145</u>	<u>145</u>	<u>87</u>
Other income from the Academy Trust's educational operations	-	-	-	-
	<u>-</u>	<u>3,005</u>	<u>3,005</u>	<u>2,951</u>

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

#### 3 Funding for Academy Trust's educational operations (continued)

Funding for Academy Trust's educational operations was £3,005,000 (2017 - £2,951,000) of which £nil (2017 - £nil) was attributable to unrestricted funds, £3,005,000 (2017 - £2,951,000) was attributable to restricted general funds and £nil (2017 - £nil) was attributable to restricted fixed asset funds.

£3,005,000 (2017 - £2,951,000) of government grants were received for the purposes of the day to day running costs of the academy and its charitable objectives.

#### 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Catering income	130	-	130	102
Community and recreation	1,046	-	1,046	700
	<u>1,176</u>	<u>-</u>	<u>1,176</u>	<u>802</u>

Income from other trading activities was £1,176,000 (2017 - £802,000) of which £1,176,000 (2017 - £802,000) was attributable to unrestricted funds, £nil (2017 - £nil) was attributable to restricted general funds and £nil (2017 - £nil) was attributable to restricted fixed asset funds.

#### 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

Investment income was £1,000 (2017 - £1,000) of which £1,000 (2017 - £1,000) of was attributable to unrestricted funds, £nil (2017 - £nil) of was attributable to restricted general funds and £nil (2017 - £nil) of was attributable to restricted fixed asset funds.

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

#### 6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other Costs £000		
Academy trust's educational operations					
Direct costs	1,911	210	268	2,389	2,256
Allocated support costs	967	288	723	1,978	1,882
Teaching School:					
Direct costs	38	-	16	54	8
Allocated support costs	17	-	6	23	2
	<u>2,933</u>	<u>498</u>	<u>1,013</u>	<u>4,444</u>	<u>4,148</u>

£1,088,000 (2017 - £649,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £3,146,000 (2017 - £3,280,000) was attributable to restricted general funds and £210,000 (2017 - £219,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2018 £000	2017 £000
Operating lease rentals	28	13
Depreciation	210	219
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to the auditor for:		
Audit	4	4
Other services	2	6
	<u>244</u>	<u>242</u>

No transactions have taken place under Section 3.1.8 of the 2017 Academies Financial Handbook which require additional disclosure.



**Endeavour Learning Trust**

**Notes to the Financial Statements**

**Year Ended 31<sup>st</sup> August 2018**

**7 Charitable activities**

			<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Direct costs – educational operations			2,389	2,256
Direct costs – teaching school			54	8
Support costs – educational operations			1,978	1,882
Support costs – teaching school			23	2
			<hr/> 4,444	<hr/> 4,148
			<hr/>	<hr/>
<b>Analysis of support costs</b>	<b>Educational operations £000</b>	<b>Teaching school £000</b>	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Support staff costs	967	17	984	990
Educational supplies	554	-	554	570
Premises costs	288	-	288	280
Other support costs	153	6	159	24
Governance costs	16	-	16	20
<b>Total support costs</b>	<hr/> 1,978	<hr/> 23	<hr/> 2,001	<hr/> 1,884
			<hr/>	<hr/>

## Endeavour Learning Trust

### Notes to the Financial Statements

Year Ended 31<sup>st</sup> August 2018

#### 8 Staff

##### (a) Staff costs

	2018 £000	2017 £000
Staff costs during the period were:		
Wages and salaries	2,207	2,082
Social security costs	216	200
Pension costs	473	433
	<u>2,896</u>	<u>2,715</u>
Agency staff costs	23	27
Staff restructuring costs	14	1
	<u>2,933</u>	<u>2,743</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	14	1
Other restructuring costs	-	-
	<u>14</u>	<u>1</u>

##### (b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £14,000 (2017: £1,000). Individually, the payments were for £14,000 (2017 - £1,000).

##### (c) Staff numbers

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

	2018 Full Time Equivalent	2017 Full Time Equivalent
Teachers	33	29
Administration and support	24	25
Management	8	8
	<u>65</u>	<u>62</u>

## Endeavour Learning Trust

### Notes to the Financial Statements

Year Ended 31<sup>st</sup> August 2018 .

#### 8 Staff (continued)

##### (d) Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

##### (e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £615,000 (2017: £599,000).

#### 9 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 Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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):	
Remuneration	£95,000 - £100,000. (2017: £90,000 - £95,000)
Employers' pension contributions	£15,000 - £20,000. (2017: £10,000 - £15,000)
T Houghton (staff Governor) (retired 6 <sup>th</sup> July 2017):	
Remuneration	not a staff trustee. (2017: £50,000 - £55,000)
Employers' pension contributions	not a staff trustee. (2017: £5,000 - £10,000)
P Langton (staff Governor) (retired 6 <sup>th</sup> July 2017):	
Remuneration	not a staff trustee. (2017: £10,000 - £15,000)
Employers' pension contributions	not a staff trustee. (2017: £nil - £5,000)
T McLardy (staff Governor) (retired 6 <sup>th</sup> July 2017):	
Remuneration	not a staff trustee. (2017: £45,000 - £50,000)
Employers' pension contributions	not a staff trustee. (2017: £5,000 - £10,000)

During the year ended the 31<sup>st</sup> August 2018, no travel and subsistence expenses were reimbursed or paid directly to trustees (2017: £nil to trustees).

Other related party transactions involving the trustees are set out in note 26.

#### 10 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.

**Endeavour Learning Trust**

**Notes to the Financial Statements**

**Year Ended 31<sup>st</sup> August 2018**

**11 Tangible fixed assets**

	Freehold Buildings £000	Furniture and Fixtures £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 <sup>st</sup> September 2017	8,809	205	354	<b>9,368</b>
Additions	33	26	-	<b>59</b>
At 31 <sup>st</sup> August 2018	<u>8,842</u>	<u>231</u>	<u>354</u>	<u><b>9,427</b></u>
<b>Depreciation</b>				
At 1 <sup>st</sup> September 2017	827	126	226	<b>1,179</b>
Charged in period	157	21	32	<b>210</b>
At 31 <sup>st</sup> August 2018	<u>984</u>	<u>147</u>	<u>258</u>	<u><b>1,389</b></u>
<b>Net book values</b>				
At 31 <sup>st</sup> August 2017	7,982	79	128	<b>8,189</b>
At 31 <sup>st</sup> August 2018	<u>7,858</u>	<u>84</u>	<u>96</u>	<u><b>8,038</b></u>

**12 Debtors**

	2018 £000	2017 £000
Trade debtors	152	63
VAT recoverable	27	19
Other debtors	57	-
Prepayments and accrued income	34	-
	<u>270</u>	<u>82</u>

**13 Creditors: amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	130	413
Other taxation and social security	54	-
Loans	7	14
Other creditors	56	-
Accruals and deferred income	258	136
	<u>505</u>	<u>563</u>

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

#### 14 Creditors: amounts falling due after more than one year

	2018 £000	2017 £000
Loans	16	15
	<u>16</u>	<u>15</u>

Other creditors relates to a loan received to fund energy efficient projects in the academy funded via the ESFA Salix scheme with no interest charged on the balance outstanding. The cost of repaying the loan will be offset by the energy cost savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the loan.

The total repayable after more than five years is £3,000.

#### 15 Funds

	Balance at 1 <sup>st</sup> September 2017 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 <sup>st</sup> August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,612	(2,544)	(18)	50
Pre-opening 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)	-	-
Pension reserve	(1,116)	-	(112)	282	(946)
Other restricted funds	41	95	(102)	-	34
	<u>(1,014)</u>	<u>3,156</u>	<u>(3,146)</u>	<u>264</u>	<u>(740)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	-	76	-	(41)	35
ESFA building valuation	6,089	-	(116)	-	5,973
Capital expenditure from GAG and other funds	1,704	-	(94)	455	2,065
	<u>7,793</u>	<u>76</u>	<u>(210)</u>	<u>414</u>	<u>8,073</u>
<b>Total restricted funds</b>	<u>6,779</u>	<u>3,232</u>	<u>(3,356)</u>	<u>678</u>	<u>7,333</u>
<b>Total unrestricted funds</b>	<u>835</u>	<u>1,198</u>	<u>(1,088)</u>	<u>(396)</u>	<u>549</u>
<b>Total funds</b>	<u>7,614</u>	<u>4,430</u>	<u>(4,444)</u>	<u>282</u>	<u>7,882</u>

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31<sup>st</sup> August 2018. At the period end the carry forward of GAG funding was £50,000.

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

##### 15 Funds (continued)

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

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding. As at the 31<sup>st</sup> August 2018 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 Academy 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 £29,000 of the funding received was unspent.

Other restricted funds include monies from trips & non public funds. As at the year end the balance carried forward toward future trip contributions was £34,000.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit had reduced to £946,000 at the 31<sup>st</sup> August 2018.

DfE/ESFA capital grants represent capital monies received during the period from the ESFA, predominantly from the Capital Improvement Fund (CIF). As at the 31<sup>st</sup> August 2018 £35,000 of these funds remained unspent and will be used to fund the ongoing Legionella CIF project in the 2018/19 academic year.

The ESFA building valuation 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 land being separately valued at £1,000,000. 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 represents 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). The surplus on this fund at the period end was £549,000 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 31<sup>st</sup> August 2018

15 Funds (continued)

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

	Balance at 1 <sup>st</sup> September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 <sup>st</sup> August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,630	(2,630)	-	-
Pupil premium	-	134	(134)	-	-
Other DfE/ ESFA grants	-	76	(65)	-	11
Local Authority grants	-	23	(23)	-	-
Teaching school	-	60	(10)	-	50
Other grants	-	87	(87)	-	-
Pension reserve	(1,581)	-	(100)	565	(1,116)
Other restricted funds	38	233	(230)	-	41
	<b>(1,543)</b>	<b>3,243</b>	<b>(3,279)</b>	<b>565</b>	<b>(1,014)</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	-	251	-	(251)	-
ESFA building valuation	6,205	-	(116)	-	6,089
Capital expenditure from GAG and other funds	1,556	-	(103)	251	1,704
	<b>7,761</b>	<b>251</b>	<b>(219)</b>	<b>-</b>	<b>7,793</b>
<b>Total restricted funds</b>	<b>6,218</b>	<b>3,494</b>	<b>(3,498)</b>	<b>565</b>	<b>6,779</b>
<b>Total unrestricted funds</b>	<b>833</b>	<b>652</b>	<b>(650)</b>	<b>-</b>	<b>835</b>
<b>Total funds</b>	<b>7,051</b>	<b>4,146</b>	<b>(4,148)</b>	<b>565</b>	<b>7,614</b>

# Endeavour Learning Trust

## Notes to the Financial Statements

### Year Ended 31<sup>st</sup> August 2018

#### 15 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 <sup>st</sup> September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 <sup>st</sup> August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,242	(5,174)	(18)	50
Pre-opening grant	-	150	(57)	-	93
Pupil premium	-	223	(223)	-	-
Other DfE/ESFA grants	-	85	(85)	-	-
Local Authority grants	-	43	(43)	-	-
Teaching school	-	116	(87)	-	29
Other grants	-	212	(212)	-	-
Pension reserve	(1,581)	-	(212)	847	(946)
Other restricted funds	38	328	(332)	-	34
	<b>(1,543)</b>	<b>6,399</b>	<b>(6,425)</b>	<b>829</b>	<b>(740)</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	-	327	-	(292)	35
ESFA building valuation	6,205	-	(232)	-	5,973
Capital expenditure from GAG and other funds	1,556	-	(197)	706	2,065
	<b>7,761</b>	<b>327</b>	<b>(429)</b>	<b>414</b>	<b>8,073</b>
<b>Total restricted funds</b>	<b>6,218</b>	<b>6,726</b>	<b>(6,854)</b>	<b>1,243</b>	<b>7,333</b>
<b>Total unrestricted funds</b>	<b>833</b>	<b>1,850</b>	<b>(1,738)</b>	<b>(396)</b>	<b>549</b>
<b>Total funds</b>	<b>7,051</b>	<b>8,576</b>	<b>(8,592)</b>	<b>847</b>	<b>7,882</b>

#### 16 Analysis of net assets between funds

Fund balances at 31<sup>st</sup> August 2018 are represented by:

	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)
<b>Total net assets</b>	<b>549</b>	<b>(740)</b>	<b>8,073</b>	<b>7,882</b>



**Endeavour Learning Trust**

**Notes to the Financial Statements**

**Year Ended 31<sup>st</sup> August 2018**

**16 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	396	-	7,793	8,189
Current assets	439	680	-	1,119
Current liabilities	-	(563)	-	(563)
Non-current liabilities	-	(15)	-	(15)
Pension scheme liability	-	(1,116)	-	(1,116)
<b>Total net assets</b>	<u>835</u>	<u>(1,014)</u>	<u>7,793</u>	<u>7,614</u>

**17 Capital commitments**

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	<u>34</u>	<u>-</u>

**18 Commitments under operating leases**

**Operating leases**

At 31<sup>st</sup> August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	33	20
Amounts due between one and five years	33	30
Amounts due after five years	-	-
	<u>66</u>	<u>50</u>

# Endeavour Learning Trust

## Notes to the Financial Statements

Year Ended 31<sup>st</sup> August 2018

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

	2018 £000	2017 £000
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(14)	(2)
Adjusted for:		
Depreciation (note 11)	210	219
Capital grants from DfE and other capital income	(76)	(251)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 25)	87	68
Defined benefit pension scheme finance cost (note 25)	25	32
(Increase) in debtors	(188)	(40)
(Decrease)/increase in creditors	(51)	182
<b>Net cash provided by / (used in) operating activities</b>	<b>(8)</b>	<b>207</b>

### 20 Cash flows from financing activities

	2018 £000	2017 £000
Repayments of borrowing	(6)	(7)
Cash inflows from borrowing	-	-
<b>Net cash (used in) financing activities</b>	<b>(6)</b>	<b>(7)</b>

### 21 Cash flows from investing activities

	2018 £000	2017 £000
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(59)	(289)
Capital grants from DfE Group	66	251
Capital funding received from others	11	-
<b>Net cash provided by/(used in) investing activities</b>	<b>18</b>	<b>(38)</b>

### 22 Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	1,041	1,037
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>1,041</b>	<b>1,037</b>

## **Endeavour Learning Trust**

### **Notes to the Financial Statements**

#### **Year Ended 31<sup>st</sup> August 2018**

#### **23 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.

#### **24 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.

#### **25 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 County Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31<sup>st</sup> March 2012 and of the LGPS 31<sup>st</sup> March 2013.

Contributions amounting to £41,650 (2017: £nil) were payable to the schemes at 31<sup>st</sup> August 2018 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 1<sup>st</sup> 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 31<sup>st</sup> August 2018

#### 25 Pension and similar obligations (continued)

##### Teachers' Pension Scheme (continued)

The latest actuarial valuation of the TPS was carried out as at 31<sup>st</sup> March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9<sup>th</sup> 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 1<sup>st</sup> April 2019.

The pension costs paid to TPS in the period amounted to £374,000 (2017: £346,000).

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 31<sup>st</sup> August 2018 was £165,000 (2017: £146,000), of which employer's contributions totalled £124,000 (2017: £116,000), and employees' contributions totalled £41,000 (2017: £35,000). The agreed contribution rates for future years are 14.9% for employers and the rate for employees remains dependent on the salary of the employee.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18<sup>th</sup> 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 31<sup>st</sup> August 2018

#### 25 Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 <sup>st</sup> August 2018	At 31 <sup>st</sup> August 2017
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment / inflation	2.2%	2.2%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.1%	2.2%

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

	At 31 <sup>st</sup> August 2018	At 31 <sup>st</sup> August 2017
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.4	25.2
<i>Retiring in 20 years</i>		
Males	25.0	24.9
Females	28.0	27.9

##### Sensitivity analysis

	Central £000	Sensitivity 1 +0.1% pa discount rate £000	Sensitivity 2 +0.1% pa inflation £000	Sensitivity 3 +0.1% pa pay growth £000	Sensitivity 4 1 year inc in life expectancy £000
Liabilities	2,748	2,684	2,814	2,759	2,797
Assets	(1,802)	(1,802)	(1,802)	(1,802)	(1,802)
Deficit	946	882	1,012	957	995
Projected service cost	186	181	192	186	190
Projected net interest	25	24	27	25	26

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

	Fair value at 31 <sup>st</sup> August 2018	Fair value at 31 <sup>st</sup> August 2017
Equities	791	681
Government bonds	61	30
Other bonds	11	36
Property	166	162
Cash and other liquid assets	16	71
Other	757	573
<b>Total market value of assets</b>	<b>1,802</b>	<b>1,553</b>

The actual return on scheme assets was £98,000 (2017: £185,000).

## Endeavour Learning Trust

### Notes to the Financial Statements

#### Year Ended 31<sup>st</sup> August 2018

#### 25 Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

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

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(84)	(65)
Interest income (net cost)	41	33
Interest expense	(66)	(65)
Admin expenses	(3)	(3)
Total operating charge	<u>(112)</u>	<u>(100)</u>

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

	2018 £000	2017 £000
<b>At 1<sup>st</sup> September</b>	2,669	3,019
Current service cost	208	181
Past service cost	-	-
Interest cost	66	65
Employee contributions	41	35
Actuarial (gain)	(226)	(600)
Benefits paid	(10)	(31)
Losses or gains on curtailments	-	-
Past service costs	-	-
Unfunded pension payments	-	-
Effect of non-routine transactions	-	-
<b>At 31<sup>st</sup> August</b>	<u>2,748</u>	<u>2,669</u>

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

	2018 £000	2017 £000
<b>At 1<sup>st</sup> September</b>	1,553	1,438
Interest income	41	33
Return on plan assets (excluding interest income)	-	-
Assets distributed on settlements	-	-
Actuarial gain/(loss)	56	(35)
Employer contributions	124	116
Employee contributions	41	35
Benefits paid	(10)	(31)
Effect of non-routine settlements	-	-
Administrative expenses	(3)	(3)
<b>At 31<sup>st</sup> August</b>	<u>1,802</u>	<u>1,553</u>

## **Endeavour Learning Trust**

### **Notes to the Financial Statements**

**Year Ended 31<sup>st</sup> August 2018**

#### **26 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 at cost in accordance with the requirements of the Academies Financial Handbook 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 9.

#### **27 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 31<sup>st</sup> August 2018, the trust received £97,500 (2017: £71,000) and disbursed £97,500 (2017: £71,000) from the fund. The balance of £21,000 (2017: £21,000) is included in other creditors in relation to the undistributed funds owed back to the Department for Education.

Endeavour Learning Trust

Notes to the Financial Statements

Year Ended 31<sup>st</sup> August 2018

28 Teaching school trading account

	2018 £000	2018 £000	2018 £000	2017 £000	2017 £000	2017 £000
<b>Income</b>						
<i>Direct income:</i>						
Grant income		56			60	
<i>Other income:</i>						
Trading activities		<u>21</u>			<u>-</u>	
Total income			77			60
<b>Expenditure</b>						
<i>Direct costs:</i>						
Direct staff costs	38			6		
Staff development	<u>16</u>			<u>2</u>		
Total direct costs		54			8	
<i>Other costs:</i>						
Support staff costs	17			2		
Travel costs	1			-		
Advertising	1			-		
Conference and meeting costs	<u>4</u>			<u>-</u>		
Total other costs		23			2	
Total expenditure			<u>(77)</u>			<u>(10)</u>
<b>Surplus from all sources</b>			-			50
<b>Teaching school balances brought forward</b>			50			-
<b>Teaching school balances carried forward</b>			<u>50</u>			<u>50</u>