

Company Registration No. 07682332 (England and Wales)

ENDEAVOUR MAT

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

ENDEAVOUR MAT

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ENDEAVOUR MAT

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Burchett, L (Director of Finance & Resources, Resigned 31 August 2018)#
Clark, P#
Connell, D (Appointed 1 November 2017)
Daniels, S (Appointed 1 November 2018)
Hammond, P (Resigned 12 October 2018)#
Horgan, J (Chair)#
Kemsley, S (Chair Education Committee)
Lodge, D (Chief Executive Officer & Accounting Officer)#
Maidment, G
Mavin, Y (Co-opted 6 November 2017)
Strachan, D (Chair of Finance & Resources Committee)#

Members of the Finance & Resources Committee#

Members

Brown, M
Connell, D (Resigned 31 October 2017)
Cox, J (Resigned 30 October 2018)
Horgan, J
Kemsley, S (Resigned 31 October 2018)
McGonigle, M (Appointed 1 November 2018)
Mitchell, L (Appointed 1 November 2018)
O'Connor, J (Appointed 1 December 2017)

Wilmington Grammar School for Girls Senior Leadership Team

- Head Teacher	Hunt, S
- Deputy Head Teacher	Beaumont, R
- Assistant Head Teacher	Byham, J
- Assistant Head Teacher	Leamon, J
- 6 th Form SLT Member	Tiddy, G
- SENDCo SLT Member	Hollebon, M
- Executive School Business Manager	Lawford, S (Resigned 31 December 2017)
- Executive School Business Manager	Anderson, P (Appointed 1 January 2018)

Wilmington Grammar School for Boys Senior Leadership Team

- Head Teacher	Guthrie, C (Appointed 1 September 2017)
- Deputy Head Teacher	Jackman, D
- Assistant Head Teacher	Baker, M
- Assistant Head Teacher	Smith, A
- SENDCo SLT Member	Hollebon, M
- 6 th Form SLT Member	Watson, A (From 1 September 2018)
- Executive School Business Manager	Lawford, S (Resigned 31 December 2017)
- Executive School Business Manager	Anderson, P (Appointed 1 January 2018)

Wilmington Grammar 6th (WG6)

- Director of WG6	Tiddy, G
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Executive Team (Endeavour MAT)

- Chief Executive Officer	Lodge, D
- Director of Finance & Resources	Burchett, L
- Director of Data & Information	Price, J
- Director of School Improvement and North West Kent Teaching School Alliance	Evans, S (appointed 1 September 2018)
- Head of IT	Skipp, M (appointed 30 July 2018)

ENDEAVOUR MAT

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number 07682332 (England and Wales)

Registered office Wilmington Grange
Parsons Lane
Wilmington
Kent
DA2 7BB
United Kingdom

Independent auditor Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers Lloyds Bank PLC
78 New Road
Gravesend
Kent
DA11 0AR

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2017/18 issued by the ESFA.

The principal object of the company is to advance education in the United Kingdom by offering a broad curriculum. It achieved this object in the period to 31 August 2018 through the operation of the two Wilmington Grammar Schools, providing a state education, free of charge, to pupils aged 11 to 19, serving a catchment area around Wilmington, Kent. The schools had a combined a roll of 1893 pupils in the census for January 2017.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee with no share capital (registration no. 07682332) and an exempt charity. The Charitable Company's memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section on page 1 of these accounts.

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 or within one year of when they ceased to be a member.

Trustees' indemnities

Under the Companies Act 2006 s236 the directors confirm that there are no third party indemnity provisions in operation.

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association, the Trustees of the charitable company are appointed as follows;

- a) member appointed Trustees (maximum 9):
- b) parent Trustees (minimum 2, if parent Trustees are not present on Local Governing Bodies);
- c) co-opted Trustees appointed by the Trustees:
- d) the Chief Executive Officer, provided they so agree.

There shall be a minimum of three Trustees and the total number of Trustees who are employees of the company shall not exceed one third of the total number of Trustees.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, safeguarding, legal and financial matters. All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as Trustees. A central register of all Trustees training is kept. Each trustee is provided with a secure log-in to the company's systems for access to all policies, codes of practice and trustee meeting papers.

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The Board of Trustees comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and has two committees:

Finance & Resources Committee and Education Committee

The full board:

- Ensure the provisions of the Funding Agreement with the Secretary of State are followed
- Oversee aims and achievements of School Improvement Plans
- Review structure and delegation arrangements for each Local Governing Body
- Make Executive Head Teacher appointments
- Authorise purchases above £25,000 via the Finance & Resources Committee
- Review/appoint external auditors (subject to ratification by the members)

The Finance & Resources Committee has oversight of budget monitoring, premises & estates, Health & Safety and HR issues.

The Education Committee has oversight of educational standards and structures, admissions policy and related issues.

Chief Executive Officer

- Manages whole trust strategic planning in conjunction with the Executive Team, Trustees and Local Governing Bodies
- Has oversight of all aspects of school development and the curriculum
- Ensures the provisions of the Funding Agreement with the Secretary of State are being followed
- Reviews actual income and expenditure against approved budget

Senior Leadership Teams

Each Senior Leadership Team (SLT) is made up of: Head Teacher, Deputy Head, Assistant Heads, Shared SENDCo, relevant 6th form leadership and a shared Executive School Business Manager. Each member of the SLT attends the relevant meetings of the corresponding Local Governing Body in areas where they hold a key responsibility to enable effective monitoring.

All committees and Local Governing Bodies are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Trustees delegate specific responsibilities to committees and to Local Governing Bodies, the activities of which are reported to and discussed at full board meetings.

Day to day management of the company is undertaken by the Chief Executive Officer as part of the Trust Executive Team.

The Chief Executive Officer is the Accounting Officer and the Director of Finance & Resources is the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Executive Team and Senior Leadership Teams are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as Trustees. Where staff Trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are Trustees is set out within the notes to the accounts.

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The pay of the Chief Executive Officer is set annually by the Trust Pay Committee, having regard to performance against objectives set the previous year. Pay of other Executive Team members and Head Teachers is also set by the Trust Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Chief Executive Officer. Pay for all other Senior Leadership Team members is set by the relevant Local Governing Body Pay Committee, again having regard to performance against previously agreed objectives and recommendations made by the appropriate Head Teacher.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.51

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	1
1% - 50%	2
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£612.26
Total Pay bill	£7,193k
Percentage of the total pay bill spent on facility time	0.0085%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

During the year Endeavour MAT had no related parties or other connected charities or organisations.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of two academies, Wilmington Grammar School for Girls and Wilmington Grammar School for Boys, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

Strategic Objectives:

- A destination driven focus supported by industry and HE where resilience, entrepreneurship, innovation and versatility sit alongside academic attainment.
- Exemplary student outcomes with progress in terms of value added always within the top 20% nationally.
- Financially strong with a learning environment and infrastructure designed to generate the greatest impact.
- Robust governance structures offering the necessary degree of support and challenge to maintain exceptional performance across the MAT.
- Exceptional training and tailored CPD to reduce recruitment and retention issues and generate an expert workforce with clear succession planning.
- A safe, nurturing, inspirational and competitive environment where everyone feels valued amidst a climate of respect.

Public benefit

The Trustees confirm that the Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising its powers and duties.

STRATEGIC REPORT

Achievements in the year

Wilmington Grammar School for Girls

Ofsted reported in November 2015 that the school is Outstanding.

2018 Examination results:

Year 11 GCSE	20%	A* / 9-8
	41%	A*-A/ 9 - 7
	0.23	Progress 8 (provisional)

Wilmington Grammar School for Boys

Ofsted reported in November 2017 that the school is Good.

2018 Examination results:

Year 11 GCSE	22%	A* / 9-8
	44%	A*-A/ 9 - 7
	0.38	Progress 8 (provisional)

Wilmington Grammar 6th (WG6)

Advanced Level	51.7%	A* - B
	98.7%	A* - E

Key financial performance indicators

Total staff costs as a percentage of total costs – 75.2% (Benchmark report 72% average for Multi Academy Trusts).
Pupil Teacher Ratio – 21.76% (Benchmark report 20.97% average for Multi Academy Trusts).

(Benchmark comparative data taken from Reeves Academies Benchmark report 2018).

Going concern

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

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

On 1 April 2017, the operations, assets and liabilities of Wilmington Grammar School for Boys (WGSB) were transferred to the charitable company. The effect of the transfer of balances is summarised in the relevant note to the accounts. The comparative figures in the accounts for 2016/2017 reflect 7 months to 31 March 2017 of Wilmington Grammar School for Girls (WGSG) and 5 months to 31 August 2017 of both WGSG and WGSB. The figures for 2017/18 reflect both schools for the full year.

We receive our income from a number of different sources. The majority of our income comes from central government via the Education And Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as "Other Government Grants". Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

We hold funds in two broad categories, funds that are available for spending and other funds that are not available for spending.

Spendable funds are in turn sub-categorised between those that are available for spending at the discretion of Trustees ("Unrestricted Funds") and those that are subject to condition or restriction ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances were held at 31 August;

Fund	Category	2018 £'000	2017 £'000
GAG	Restricted General Funds	654	567
Other Grants	Restricted General Funds	63	46
Other Income	Restricted General Funds	<u>178</u>	<u>138</u>
Sub-total	General Restricted Funds	895	751
Unspent Capital Grants	Restricted Fixed Asset Fund	2,066	2,120
Other Income	Unrestricted General Fund	<u>451</u>	<u>437</u>
Sub-Total	Spendable Funds	3,412	3,308
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	30,804	30,246
CIF Loans	Restricted Fixed Asset Fund	(25)	-
Share of LGPS Deficit	Restricted Pension Reserve	<u>(1,943)</u>	<u>(2,343)</u>
Total	All Funds	<u>32,248</u>	<u>31,211</u>

During the year under review and before transfers and actuarial gains, there was a surplus of £173k on general restricted funds, a deficit (net expenditure) on the LGPS fund of £(335k) and a surplus of £14k on unrestricted funds. The fixed asset fund recorded a net surplus of £450k and overall there was an in year surplus of income over expenditure of £302k.

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

Unspent GAG from previous financial years is carried forward in line with the Academies Financial Handbook.

Each year the Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

The level of reserves should never be in deficit and the annual budget should not plan for a large surplus of income over expenditure unless there is a particular project that requires accumulation of funds over a number of years.

Trustees have established a policy for the pooling of reserves across the MAT, assessed and evaluated as at 31 August each year.

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

Risk management

The Board has assessed the risks under the following major headings, and systems or processes have been established to manage these risks and where significant financial risk still remains they have ensured they have adequate insurance cover: Strategic and Reputational, Physical, Infrastructure, Governance, Staffing, Students and Financial.

The risk management process has been codified in a risk register implemented by the Senior Leadership Teams and overseen by Trustees.

The principal financial risk faced by the company is that on-going pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk. Trustees keep spendable reserves under constant review to ensure that they have sufficient income to run the company on an efficient basis without adversely affecting the quality of teaching and learning.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The Endeavour MAT and its constituent schools organise fundraising events and appeals and work with our Parents & Friends Association and Parent Teacher Association in their activities in the schools and in the wider community on behalf of the Trust.

The Trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

All fundraising is undertaken by the Trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, Head Teacher blogs, school websites and via students.

ENDEAVOUR MAT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for the future

Endeavour MAT is working with the Department for Education to plan the opening of Stone Lodge School in September 2019. Stone Lodge School will be a secondary school for students living in the Stone area of Dartford. The new school will be fully inclusive and cater for the diverse needs of its students.

Funds held as custodian trustee

The company does not hold any funds as custodian trustee on behalf of any third parties.

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 13 December 2018 and signed on its behalf by:


.....
J Horgan
Chair

ENDEAVOUR MAT

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Endeavour MAT and the Secretary of State for Education. The Accounting Officer, supported by the appointed providers of Internal Control Monitoring and the external auditor, is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Burchett, L (Resigned 31/08/2018)	4	4
Clark, P	2	4
Connell, D (Appointed 1/11/2017)	3	3
Hammond, P (Resigned 12/10/2018)	2	4
Horgan, J	4	4
Kemsley, S	3	4
Lodge, D	4	4
Maidment, G	3	4
Mavin, Y (Appointed 6/11/2017)	3	3
Strachan, D	4	4

The Governing Body undertook a review of its governance structure in Spring 2018 at the end of its first year of operation and is likely to evolve a number of governance arrangements as Stone Lodge School forms. The Trust will continue to review governance arrangements to ensure they are effective and the next formal review will take place in order to inform suitable structures for September 2019.

Finance & Resources Committee

The Finance & Resources Committee is a committee of the Board of Trustees. Its purpose is to assist and support the Board, ensuring sound oversight is exercised over the management of the Trust's finances and resources. The Committee also performs the function of an Audit Committee.

Attendance at Finance & Resources Committee meetings was as follows:

Trustees	Meetings attended	Out of possible
Burchett, L (Resigned 31/08/2018)	2	2
Clark, P	1	2
Hammond, P (Resigned 12/10/2018)	2	2
Horgan, J	2	2
Lodge, D	2	2
Mavin, Y (Appointed 6/11/2017)	1	2
Strachan, D (Chair)	2	2

Education Committee

The Education Committee is a committee of the Board of Trustees. Its purpose is to assist and support the Board, ensuring sound oversight is exercised over the quality of learning and teaching and the standard of outcomes.

ENDEAVOUR MAT

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at Education Committee was as follows:

Trustees	Meetings attended	Out of possible
Connell, D (Appointed 1/11/2017)	3	3
Horgan, J	2	4
Kemsley, S (Chair)	4	4
Lodge, D	4	4
Maidment, G	4	4

Review of Value for Money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the 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 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 Trust has delivered improved value for money during the year by:

- Consolidating on Trust wide procurement contracts for an increasing number of services (including utilities, waste collection, insurance over and above RPA, organisation memberships) generating shared savings.
- Increasing the number of roles where expertise and management oversight is cost effectively and productively shared across both Wilmington schools (includes Premises and Data).
- Undertaking a value for money review of ancillary activities that are not essential to the core operation of our schools and made cost savings on staff time and overheads by withdrawing from selected number and changing the way others operate (such as moving away from all cash and virtually all cheque handling as a time-consuming, non-value adding activity).

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Endeavour MAT for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 company's significant risks that this has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

ENDEAVOUR MAT

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have commissioned a programme of internal control testing from Hacker Young, reporting to the Finance & Resources Committee. The appointment comprises a series of three visits covering the year.

Checks carried out included

- Testing of payroll items and procedures
- Testing of the payment authorisation and processing
- Testing of credit card transactions, authorisation and recording
- Testing of Bank and control account reconciliations
- Testing of the recognition and recording of income
- Review of monitoring and reporting on financial performance during the year

The schedule of testing has been undertaken as planned and there were no material control issues arising.

Review of effectiveness

The Accounting Officer, D Lodge, had responsibility for reviewing the effectiveness of the system of internal control during the accounting year. During the year ended 31 August 2018 the review has been informed by:

- the programme of work on Internal Control Monitoring;
- the work of the External Auditor;
- the financial management and governance self-assessment process
- the work of the Executive Managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance & Resources Committee of the implications of the result of their review of the system of internal control.

Approved by order of the Board of Trustees on 13 December 2018 and signed on its behalf by:

J Horgan
Chair



D Lodge
Accounting Officer

ENDEAVOUR MAT

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Endeavour MAT 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's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



D Lodge
Accounting Officer

13 December 2018

ENDEAVOUR MAT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Endeavour MAT for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:

J Horgan
Chairman



ENDEAVOUR MAT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENDEAVOUR MAT

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the Financial Statements of Endeavour MAT for the year ended 31 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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 charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

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 other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ENDEAVOUR MAT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENDEAVOUR MAT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 charitable company, or have no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ENDEAVOUR MAT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENDEAVOUR MAT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 14 December 2018

ENDEAVOUR MAT

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENDEAVOUR MAT AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 2 November 2012 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 MAT during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Endeavour MAT's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2017, issued by the ESFA.


ENDEAVOUR MAT

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENDEAVOUR MAT AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 14 December 2018

ENDEAVOUR MAT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	-	90	918	1,008	641
Donations - transfer from local authority on conversion		-	-	-	-	17,259
Charitable activities:						
- Funding for educational operations	4	6	9,047	-	9,053	6,330
Other trading activities	5	261	-	-	261	75
Investments	6	6	-	-	6	5
Total		<u>273</u>	<u>9,137</u>	<u>918</u>	<u>10,328</u>	<u>24,310</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	262	9,296	468	10,026	6,801
Total	7	<u>262</u>	<u>9,296</u>	<u>468</u>	<u>10,026</u>	<u>6,801</u>
Net income/(expenditure)		11	(159)	450	302	17,509
Transfers between funds	19	-	(29)	29	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	735	-	735	445
Net movement in funds		11	547	479	1,037	17,954
Reconciliation of funds						
Total funds brought forward		437	(1,592)	32,366	31,211	13,257
Total funds carried forward		<u>448</u>	<u>(1,045)</u>	<u>32,845</u>	<u>32,248</u>	<u>31,211</u>

ENDEAVOUR MAT

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	-	9	632	641
Donations - transfer from local authority on conversion		39	(1,049)	18,269	17,259
Charitable activities:					
- Funding for educational operations	4	25	6,305	-	6,330
Other trading activities	5	5	70	-	75
Investments	6	5	-	-	5
Total		<u>74</u>	<u>5,335</u>	<u>18,901</u>	<u>24,310</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	13	6,461	327	6,801
Total	7	<u>13</u>	<u>6,461</u>	<u>327</u>	<u>6,801</u>
Net income/(expenditure)		61	(1,126)	18,574	17,509
Transfers between funds	19	27	(64)	37	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	445	-	445
Net movement in funds		88	(745)	18,611	17,954
Reconciliation of funds					
Total funds brought forward		349	(847)	13,755	13,257
Total funds carried forward		<u>437</u>	<u>(1,592)</u>	<u>32,366</u>	<u>31,211</u>

ENDEAVOUR MAT

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		30,804		30,246
Current assets					
Stocks	14	3		13	
Debtors	15	1,538		1,628	
Cash at bank and in hand		2,752		2,264	
		<u>4,293</u>		<u>3,905</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(886)		(597)	
Net current assets			<u>3,407</u>		<u>3,308</u>
Total assets less current liabilities			<u>34,211</u>		<u>33,554</u>
Creditors: amounts falling due after more than one year	17		(20)		-
Net assets excluding pension liability			<u>34,191</u>		<u>33,554</u>
Defined benefit pension scheme liability	21		(1,943)		(2,343)
Total net assets			<u><u>32,248</u></u>		<u><u>31,211</u></u>
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset funds			32,845		32,366
- Restricted income funds			898		751
- Pension reserve			(1,943)		(2,343)
Total restricted funds			<u>31,800</u>		<u>30,774</u>
Unrestricted income funds	19		<u>448</u>		<u>437</u>
Total funds			<u><u>32,248</u></u>		<u><u>31,211</u></u>

The Financial Statements on pages 20 to 46 were approved by the Trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:

J Horgan
Chairman

Company Number 07682332

ENDEAVOUR MAT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	22		565		668
Cash funds transferred on conversion			-		422
			<u>565</u>		<u>1,090</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		6		5	
Capital grants from DfE Group		918		632	
Purchase of tangible fixed assets		(1,026)		(531)	
		<u></u>		<u></u>	
Net cash (used in)/provided by investing activities			(102)		106
Cash flows from financing activities					
Government loans received		25		-	
		<u>25</u>		<u>-</u>	
Net cash provided by/(used in) financing activities			25		-
			<u>488</u>		<u>1,196</u>
Net increase in cash and cash equivalents in the reporting period			488		1,196
Cash and cash equivalents at beginning of the year			2,264		1,068
			<u>2,752</u>		<u>2,264</u>
Cash and cash equivalents at end of the year			<u>2,752</u>		<u>2,264</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.2 Going concern

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

1.3 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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Other income

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

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land is not depreciated	
Freehold buildings	50-75 Years Straight Line
Computer equipment	3-5 Years Straight Line
Fixtures, fittings & equipment	5 -10 Years Straight Line
Motor vehicles	5 Years Straight Line

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

1.6 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 of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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. Prepayments are not financial instruments.

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

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 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 and the assets are held separately from those of the Academy Trust.

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. The 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.12 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.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

1.13 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 27.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Private sponsorship	-	33	33	-
Capital grants	-	918	918	632
Other donations	-	57	57	9
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,008	1,008	641
	<hr/>	<hr/>	<hr/>	<hr/>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	8,052	8,052	5,546
Other DfE group grants	-	209	209	138
	<u>-</u>	<u>8,261</u>	<u>8,261</u>	<u>5,684</u>
Other government grants				
Local authority grants	-	213	213	174
	<u>-</u>	<u>213</u>	<u>213</u>	<u>174</u>
Other funding				
Other incoming resources	6	573	579	472
	<u>6</u>	<u>573</u>	<u>579</u>	<u>472</u>
Total funding	<u>6</u>	<u>9,047</u>	<u>9,053</u>	<u>6,330</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	20	-	20	5
Catering income	241	-	241	70
	<u>261</u>	<u>-</u>	<u>261</u>	<u>75</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	6	-	6	5
	<u>6</u>	<u>-</u>	<u>6</u>	<u>5</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	6,141	375	1,000	7,516	5,204
- Allocated support costs	1,420	529	561	2,510	1,597
	<u>7,561</u>	<u>904</u>	<u>1,561</u>	<u>10,026</u>	<u>6,801</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	11	11
- Other services	9	7
Operating lease rentals	9	8
Depreciation of tangible fixed assets	468	327
Net interest on defined benefit pension liability	58	42
	<u>564</u>	<u>505</u>

Included within expenditure are the following transactions:

	2018 £
Gifts made by the Academy Trust - total	72
Unrecoverable debts - total	<u>3,040</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts and unrecoverable debts are not. The value of gifts and unrecoverable debts are £72 and £3,040 respectively (and not £72k and £3,040k).

8 Central services

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

- human resources advice;
- financial services;
- compliance services;
- capital projects;
- data analysis and interpretation;
- educational support services.

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

- 3.8% of core pupil funding per school.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

The amounts charged during the year were as follows:

	2018	2017
	£'000	£'000
Wilmington Grammar School for Boys	163	-
Wilmington Grammar School for Girls	157	-
	<u>320</u>	<u>-</u>

9 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2018	2017
	£'000	£'000	£'000	£'000
Direct costs				
Educational operations	181	7,335	7,516	5,204
Support costs				
Educational operations	81	2,429	2,510	1,597
	<u>262</u>	<u>9,764</u>	<u>10,026</u>	<u>6,801</u>

Analysis of costs

	2018	2017
	£'000	£'000
Direct costs		
Teaching and educational support staff costs	6,141	4,309
Staff development	26	23
Depreciation	375	260
Technology costs	131	119
Educational supplies and services	235	133
Examination fees	171	76
Other direct costs	437	284
	<u>7,516</u>	<u>5,204</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

Support costs

Support staff costs	1,143	711
Defined benefit pension scheme - staff costs (FRS102 adjustment)	277	147
Depreciation	93	67
Technology costs	81	-
Maintenance of premises and equipment	182	135
Cleaning	22	18
Energy costs	131	76
Rent, rates and other occupancy costs	49	43
Insurance	45	31
Security and transport	7	26
Catering	165	61
Defined benefit pension scheme - finance costs (FRS102 adjustment)	58	42
Other support costs	198	106
Governance costs	59	134
	<u>2,510</u>	<u>1,597</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£'000	£'000
Wages and salaries	5,602	3,920
Social security costs	516	347
Pension costs	903	643
Defined benefit pension scheme - staff costs (FRS102 adjustment)	277	147
Staff costs	<u>7,298</u>	<u>5,057</u>
Agency staff costs	257	96
Staff restructuring costs	6	14
Total staff expenditure	<u>7,561</u>	<u>5,167</u>

Staff restructuring costs comprise:

Redundancy payments	-	14
Severance payments	6	-
	<u>6</u>	<u>14</u>

Non statutory/non-contractual staff severance payments

In respect of the staff severance payment of £6k , £2k was non-statutory/non-contractual.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff numbers

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

	2018 Number	2017 Number
Teachers	95	106
Administration and support	94	109
Management	15	14
	<u>204</u>	<u>229</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	87	100
Administration and support	58	61
Management	15	14
	<u>160</u>	<u>175</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	3	3
£70,001 - £80,000	2	-
£100,001 - £110,000	1	1
	<u>6</u>	<u>4</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,117,448.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

D Lodge (Head Teacher):

- Remuneration: £100,000 - £105,000 (2017: £100,000 - £105,000)
- Employer's pension contributions: £15,000 - £20,000 (2017: £15,000 - £20,000)

M Dooley (Staff Trustee to 31 March 2017):

- Remuneration: not appointed in year (2017: £30,000 - £35,000)
- Employer's pension contributions: not appointed in year (2017: £5,000 - £10,000)

J Price (Staff Trustee to 31 March 2017):

- Remuneration: not appointed in year (2017: £20,000 - £25,000)
- Employer's pension contributions: not appointed in year (2017: £0 - £5,000)

E Aston (Staff Trustee to 31 March 2017):

- Remuneration: not appointed in year (2017: £15,000 - £20,000)
- Employer's pension contributions: not appointed in year (2017: £0 - £5,000)

L Burchett (Employee appointed by Members - from 1 April 2017)

- Remuneration: £55,000 - £60,000 (2017: £20,000 - £25,000)
- Employer's pension contributions: £10,000 - £15,000 (2017: £0 - £5,000)

During the year, travel and subsistence payments totalling £1,051 (2017: £499) were reimbursed or paid directly to 2 Trustees (2017: 5 Trustees). Expenses were incurred in performing their duties of employment.

Other related party transactions involving the Trustees are set out within the related parties note.

12 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 Trust 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 MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Freehold land & buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2017	31,145	53	184	9	31,391
Additions	768	-	258	-	1,026
At 31 August 2018	31,913	53	442	9	32,417
Depreciation					
At 1 September 2017	1,002	44	91	8	1,145
Charge for the year	406	9	52	1	468
At 31 August 2018	1,408	53	143	9	1,613
Net book value					
At 31 August 2018	30,505	-	299	-	30,804
At 31 August 2017	30,143	9	93	1	30,246

Included in freehold land and buildings is land at its net book value of £1,626k for Wilmington Grammar School for Girls and £6,543k for Wilmington Grammar School for Boys.

14 Stocks

	2018 £'000	2017 £'000
Items for resale	3	13

15 Debtors

	2018 £'000	2017 £'000
Trade debtors	44	72
VAT recoverable	132	114
Prepayments and accrued income	1,362	1,442
	1,538	1,628

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Creditors: amounts falling due within one year	2018 £'000	2017 £'000
	Loans	5	-
	Trade creditors	280	-
	Other taxation and social security	138	134
	Other creditors	122	120
	Accruals and deferred income	341	343
		<u>886</u>	<u>597</u>
17	Creditors: amounts falling due after more than one year	2018 £'000	2017 £'000
	Loans	20	-
		<u>20</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	25	-
	Less: included in current liabilities	(5)	-
		<u>20</u>	<u>-</u>
	Amounts included above	20	-
		<u>20</u>	<u>-</u>
	Loan maturity		
	Debt due in one year or less	5	-
	Due in more than one year but not more than two years	20	-
		<u>25</u>	<u>-</u>

Two loans had been provided to the trust in 2017/18 as part of the CIF Capital Grant awards. The loans are repayable over five years at an interest rate of 0.0107%.

18	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	236	241
		<u>236</u>	<u>241</u>
	Deferred income at 1 September 2017	241	64
	Released from previous years	(241)	(64)
	Resources deferred in the year	236	241
		<u>236</u>	<u>241</u>
	Deferred income at 31 August 2018	<u>236</u>	<u>241</u>

Deferred income represents £11k (2017: £38k) of grant income received in advance, £14k (2017: £12k) of catering income received in advance and £211k (2017: £191k) of income collected from students for trips and activities that had not yet taken place as at 31 August 2018.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	567	8,052	(7,935)	(27)	657
Other DfE / ESFA grants	7	91	(98)	-	-
Pupil premium	20	118	(118)	-	20
Start up grant re Stone Lodge	30	-	(5)	-	25
Other government grants	19	213	(212)	(2)	18
Other restricted funds	108	663	(593)	-	178
Pension reserve	(2,343)	-	(335)	735	(1,943)
	<u>(1,592)</u>	<u>9,137</u>	<u>(9,296)</u>	<u>706</u>	<u>(1,045)</u>
Restricted fixed asset funds					
Transfer on conversion	26,360	-	(321)	-	26,039
DfE group capital grants	5,846	918	(130)	-	6,634
Capital expenditure from GAG and other funds	160	-	(17)	29	172
	<u>32,366</u>	<u>918</u>	<u>(468)</u>	<u>29</u>	<u>32,845</u>
Total restricted funds	<u>30,774</u>	<u>10,055</u>	<u>(9,764)</u>	<u>735</u>	<u>31,800</u>
Unrestricted funds					
General funds	<u>437</u>	<u>273</u>	<u>(262)</u>	<u>-</u>	<u>448</u>
Total funds	<u>31,211</u>	<u>10,328</u>	<u>(10,026)</u>	<u>735</u>	<u>32,248</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund. The fund is increased when new assets are acquired and depreciation charges reduce the value of the fund.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	141	5,546	(5,356)	236	567
Other DfE / ESFA grants	-	38	(64)	33	7
Pupil premium	-	70	(37)	(13)	20
Start up grant re Stone Lodge	-	30	-	-	30
Other government grants	9	174	(187)	23	19
Other restricted funds	316	763	(628)	(343)	108
Pension reserve	(1,313)	(1,286)	(189)	445	(2,343)
	<u>(847)</u>	<u>5,335</u>	<u>(6,461)</u>	<u>381</u>	<u>(1,592)</u>
Restricted fixed asset funds					
Transfer on conversion	8,310	18,269	(219)	-	26,360
DfE group capital grants	5,306	632	(92)	-	5,846
Capital expenditure from GAG and other funds	139	-	(16)	37	160
	<u>13,755</u>	<u>18,901</u>	<u>(327)</u>	<u>37</u>	<u>32,366</u>
Total restricted funds	<u>12,908</u>	<u>24,236</u>	<u>(6,788)</u>	<u>418</u>	<u>30,774</u>
Unrestricted funds					
General funds	349	74	(13)	27	437
Total funds	<u>13,257</u>	<u>24,310</u>	<u>(6,801)</u>	<u>445</u>	<u>31,211</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	141	13,598	(13,291)	209	657
Other DfE / ESFA grants	-	129	(162)	33	-
Pupil premium	-	188	(155)	(13)	20
Start up grant re Stone Lodge	-	30	(5)	-	25
Other government grants	9	387	(399)	21	18
Other restricted funds	316	1,426	(1,221)	(343)	178
Pension reserve	(1,313)	(1,286)	(524)	1,180	(1,943)
	<u>(847)</u>	<u>14,472</u>	<u>(15,757)</u>	<u>1,087</u>	<u>(1,045)</u>
Restricted fixed asset funds					
Transfer on conversion	8,310	18,269	(540)	-	26,039
DfE group capital grants	5,306	1,550	(222)	-	6,634
Capital expenditure from GAG and other funds	139	-	(33)	66	172
	<u>13,755</u>	<u>19,819</u>	<u>(795)</u>	<u>66</u>	<u>32,845</u>
Total restricted funds	<u>12,908</u>	<u>34,291</u>	<u>(16,552)</u>	<u>1,153</u>	<u>31,800</u>
Unrestricted funds					
General funds	349	347	(275)	27	448
Total funds	<u>13,257</u>	<u>34,638</u>	<u>(16,827)</u>	<u>1,180</u>	<u>32,248</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

Total funds analysis by academy

	2018	2017
	£'000	£'000
Fund balances at 31 August 2018 were allocated as follows:		
Wilmington Grammar School for Boys	332	265
Wilmington Grammar School for Girls	733	893
MAT Central Services	281	30
	<u>1,346</u>	<u>1,188</u>
Total before fixed assets fund and pension reserve	1,346	1,188
Restricted fixed asset fund	32,845	32,366
Pension reserve	(1,943)	(2,343)
	<u>32,248</u>	<u>31,211</u>
Total funds	<u>32,248</u>	<u>31,211</u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000	£'000	£'000	£'000	£'000
Wilmington Grammar School for Boys	3,170	683	515	548	4,916
Wilmington Grammar School for Girls	2,837	570	483	391	4,281
MAT Central Services	134	167	2	58	361
	<u>6,141</u>	<u>1,420</u>	<u>1,000</u>	<u>997</u>	<u>9,558</u>

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£'000	General	Fixed asset	£'000
		£'000	£'000	
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	30,804	30,804
Current assets	448	1,779	2,066	4,293
Creditors falling due within one year	-	(881)	(5)	(886)
Creditors falling due after one year	-	-	(20)	(20)
Defined benefit pension liability	-	(1,943)	-	(1,943)
	<u>448</u>	<u>(1,045)</u>	<u>32,845</u>	<u>32,248</u>
Total net assets	<u>448</u>	<u>(1,045)</u>	<u>32,845</u>	<u>32,248</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	30,246	30,246
Current assets	437	1,348	2,120	3,905
Creditors falling due within one year	-	(597)	-	(597)
Defined benefit pension liability	-	(2,343)	-	(2,343)
Total net assets	437	(1,592)	32,366	31,211

21 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 Kent County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £117k (2017: £116k) were payable to the schemes at 31 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 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £664k (2017: £482k).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.0% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2018	2017
	£'000	£'000
Employer's contributions	236	158
Employees' contributions	71	48
	<hr/>	<hr/>
Total contributions	307	206
	<hr/>	<hr/>
Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.80	4.2
Rate of increase for pensions in payment/inflation	2.30	2.7
Discount rate for scheme liabilities	2.65	2.6
	<hr/>	<hr/>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

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

	2018	2017
	Years	Years
Retiring today		
- Males	23.1	23.0
- Females	25.2	25.1
Retiring in 20 years		
- Males	25.3	25.2
- Females	27.5	27.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£'000	£'000
Discount rate + 0.1%	5,384	5,312
Discount rate - 0.1%	5,637	5,563
Mortality assumption + 1 year	5,693	5,618
Mortality assumption - 1 year	5,331	5,260
Salary rate + 0.1%	5,528	5,461
Salary rate - 0.1%	5,490	5,411
Pension rate + 0.1%	5,619	5,537
Pension rate - 0.1%	5,402	5,337

Defined benefit pension scheme net liability

Scheme assets	3,566	3,093
Scheme obligations	(5,509)	(5,436)
Net liability	(1,943)	(2,343)

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

	2018	2017
	Fair value	Fair value
	£'000	£'000
Equities	2,431	2,176
Bonds	317	298
Gilts	27	22
Cash	109	98
Property	441	380
Other assets	241	119
Total market value of assets	3,566	3,093

The actual return on scheme assets was £144,000 (2017: £298,000).

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	512	305
Interest income	(84)	(44)
Interest cost	143	86
Total operating charge	<u>571</u>	<u>347</u>

Changes in the present value of defined benefit obligations	2018 £'000
At 1 September 2017	5,436
Current service cost	512
Interest cost	143
Employee contributions	71
Actuarial gain	(676)
Benefits paid	23
At 31 August 2018	<u>5,509</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2018 £'000
At 1 September 2017	3,093
Interest income	84
Actuarial gain	59
Employer contributions	236
Employee contributions	71
Benefits paid	23
At 31 August 2018	<u>3,566</u>

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	302	17,509
Adjusted for:		
Net surplus on conversion to academy	-	(17,259)
Capital grants from DfE/ESFA and other capital income	(918)	(632)
Investment income receivable	(6)	(5)
Defined benefit pension costs less contributions payable	277	147
Defined benefit pension net finance cost	58	42
Depreciation of tangible fixed assets	468	327
Decrease/(increase) in stocks	10	(13)
Decrease in debtors	90	251
Increase in creditors	284	301
Net cash provided by operating activities	<u>565</u>	<u>668</u>

23 Commitments under operating leases

At 31 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	4	3
Amounts due in two and five years	1	4
	<u>5</u>	<u>7</u>

24 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the Financial Statements	<u>416</u>	<u>473</u>

At 31 August 2018, the the estimated future costs for capital projects was as follows;

Toilet Refurbishment project (£4k), Roofing project (£341k) and Safeguarding project (£71k). These projects are expected to be funded by ESFA capital grants and GAG reserves.

ENDEAVOUR MAT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11 .

26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust had unspent funds brought forward of £Nil (2017: £3,034) received £26,130 (2017: £12,713) and disbursed £15,844 (2017: £15,747) from the fund. An amount of £10,286 (2017: £nil) is included within creditors: amounts falling due in less than one year relating to undistributed funds.