

**Company Registration Number: 07682332 (England & Wales)**

**Endeavour MAT**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2019**

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

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## ENDEAVOUR MAT

(A Company Limited by Guarantee)

### Reference and Administrative Details For the year ended 31 August 2019

<b>Members</b>	Horgan, J Brown, M Cox, J (resigned 30 October 2018) Kemsley, S (resigned 31 October 2018) McGonigle, M (appointed 1 November 2018) Mitchell, L (appointed 1 November 2018) O'Connor, J
<b>Trustees</b>	Horgan, J, Chair <sup>1</sup> Clark, P <sup>1</sup> Connell, D Daniels, S (appointed 1 November 2018) <sup>1</sup> Hammond, P (resigned 12 October 2018) Kemsley, S, Chair Education Committee Lodge, D, Chief Executive Office and Accounting Officer Maidment, G Mavin, Y (resigned 14 September 2019) <sup>1</sup> Strachan, D, Chair of Finance & Audit Committee <sup>1</sup>
	<sup>1</sup> Finance & Audit Committee

**Company registered number** 07682332

**Company name** Endeavour MAT

**Principal and registered office** Wilmington Grange  
Parsons Lane  
Wilmington  
Dartford  
Kent  
DA2 7BB

**Chief Executive Officer** Lodge, D

## **ENDEAVOUR MAT**

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### **Reference and Administrative Details For the year ended 31 August 2019**

#### **Senior Management Team**

##### Executive Team:

Lodge, D, Chief Executive Officer  
Burchett, L, Director of Finance & Resources  
Price, J, Director of Data & Information  
Guess, B, HR Manager  
Evans, S, Director of School Improvement & North West Kent Teaching School Alliance  
Skipp, M, Head of IT  
Gosney, C, Head of Premises & Estates

##### School Based:

Barnett, G, Head Teacher Designate  
Hunt, S, Head Teacher (retired 31 August 2019)  
Lawson, M, Head Teacher (appointed 1 September 2019)  
Anderson, P, Executive School Business Manager  
Byham, J, Assistant Head Teacher  
Leamon, J, Assistant Head Teacher  
Beaumont, R, Deputy Head Teacher  
Tiddy, G, 6th Form SLT Member  
Guthrie, C, Head Teacher  
Baker, M, Assistant Head Teacher  
Hollebon, M, SENDCo SLT Member  
Jackman, D, Deputy Head Teacher  
Smith, A, Assistant Head Teacher  
Watson, A, 6th Form SLT Member

#### **Independent auditors**

Kreston Reeves LLP  
Statutory Auditor  
Chartered Accountants  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

#### **Bankers**

Lloyds Bank Plc  
78 New Road  
Gravesend  
Kent  
DA11 0AR

## **ENDEAVOUR MAT**

**(A Company Limited by Guarantee)**

### **Trustees' Report**

**For the year ended 31 August 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The principal object of the company is to advance education in the United Kingdom by offering a broad curriculum. It achieved this objective in the period to 31st August 2019 through the operation of the two Wilmington Grammar Schools, providing a state education. As of 1st September 2019 the Trust operates a third school in the Dartford area and had a combined pupil roll of 1966 in the Autumn school census 2019.

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Endeavour MAT are also the directors of the charitable company for the purposes of company law.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Under the Companies Act 2016 s236 the directors confirm that there are no third party indemnity provision 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, legal and financial matters. All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as Trustees. Each trustee is provided with a secure log-in to the company system for access to all policies, codes of practice and trustee meeting papers.

## **ENDEAVOUR MAT**

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### **Trustees' Report (continued)**

**For the year ended 31 August 2019**

#### **Organisational Structure**

The Board of Trustees comprises those persons appointed under the Articles of Association. The Board meets six times a year and has one committee, Finance & Audit 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
- Appointment the Chief Executive Officer
- Authorise purchases above £25,000 via the Finance & Audit Committee
- Review/appoint external auditors (subject to ratification by the members)
- Has oversight of educational standards and structure, admissions policy and related issues.

The Finance & Audit Committee has oversight of budget monitoring & compliance 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 Team (SLT)

Each school has a SLT that is made up of: Head Teacher, Deputy Head, Assistant Head Teachers and others as relevant including a School Business Manager or similar. Each member of 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 including Local Governing Bodies, the activities of which are reported to and discussed at full board meetings.

Day to day management of each school is undertaken by the Head Teacher, supported by the relevant Senior Leadership Team.

Management of the company as a whole 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.

## ENDEAVOUR MAT

(A Company Limited by Guarantee)

### Trustees' Report (continued)

For the year ended 31 August 2019

#### 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.

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 and following input from an independent consultant. 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
2	2

##### Percentage of time spent on facility time

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

##### Percentage of pay bill spent on facility time

Total cost of facility time	£1,711
Total pay bill	£7,641k
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.022%

##### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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## ENDEAVOUR MAT

(A Company Limited by Guarantee)

### Trustees' Report (continued)

For the year ended 31 August 2019

#### Related Parties and other Connected Charities and Organisations

During the year Endeavour MAT had no related parties but worked closely with the Parent Teacher Association and Parents and Friends Association at each of its schools but had no other connected charities or organisations.

#### Objectives and Activities

##### Objectives 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 schools in the Dartford area, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

##### Objectives, Strategies and Activities

The Trust's strategic objectives are to ensure our schools offer:

- 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.
- A financially strong organisation 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 Trust.
- 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

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. In school level plans our two selective and one non-selective school admit students from Dartford and surrounding areas and provide free access to state funded education.

#### Strategic Report

##### Achievements and Performance

###### Wilmington Grammar School for Girls

Ofsted reported in November 2015 that the school is Outstanding.

2019 Examination results:

Year 11 GCSE	21%	A* / 9-8
	43%	A*-A/ 9 - 7
	+0.3	Progress 8 (provisional)

###### Wilmington Grammar School for Boys

Ofsted reported in November 2017 that the school is Good.

2019 Examination results:

Year 11 GCSE	24%	A* / 9-8
	45%	A*-A/ 9 - 7
	+0.38	Progress 8 (provisional)



## ENDEAVOUR MAT

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### Trustees' Report (continued)

For the year ended 31 August 2019

#### Achievements and Performance (continued)

Wilmington Grammar 6<sup>th</sup> (WG6)

Advanced Level

43%

A\* - B

97%

A\* - E

#### Key Financial Performance Indicators

Total staff costs as a percentage of total costs – 74% (Benchmark report 71.9% average for multi academy trusts)

Pupil Teacher Ratio – 19.7 (Benchmark report 21.0 average for multi academy trusts) (benchmark comparative data taken from Kreston Reeves Academies Benchmark report 2019).

#### Going concern

After making appropriate enquiries, the board of Trustees 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.

#### Financial Review

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 ESFA may also 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/ESFA grants. Where we receive grant or other funding from a 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 in relation to the 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 which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which 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 actuary.

**ENDEAVOUR MAT**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Financial review (continued)**

The following balances were held at 31 August;

<b>Fund</b>	<b>Category</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
GAG	Restricted General Funds	896	657
Other Grants	Restricted General Funds	92	63
Other Income	Restricted General Funds	<u>187</u>	<u>178</u>
<b><i>Sub-total General Restricted Funds</i></b>		<b>1,175</b>	<b>898</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	1,841	2,066
Other Income	Unrestricted General Fund	<u>476</u>	<u>448</u>
<b><i>Sub-Total Spendable Funds</i></b>		<b>2,317</b>	<b>2,514</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	30,826	30,804
CIF Loans	Restricted Fixed Asset Fund	(30)	(25)
Share of LGPS Deficit	Restricted Pension Reserve	<u>(3,056)</u>	<u>(1,943)</u>
<b><i>Total All Funds</i></b>		<b><u>31,232</u></b>	<b><u>32,248</u></b>

During the year under review, there was a surplus of £239k (2018: £173k surplus) on general restricted funds, a surplus of £28k (2018: £14k surplus) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall deficit of £300k (2018: £302k surplus).

**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 set targets and guidelines for schools to set budgets with a prudent percentage contribution to reserves and a maximum per student that should be held in reserves in respect of any one school.

Trustees have established a policy for the pooling of reserves across the MAT, assessed and evaluated as at 31 August each year by which central funds can then be made available for organisation wide needs or individual schools as deemed necessary.

**Investment Policy**

There are no investments held beyond cash deposits retained with the major UK clearing bank approved by Trustees. Speculative investments are not permitted.

**ENDEAVOUR MAT**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**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: Finance, Governance, Legal, Operational, Safeguarding and strategic.

The risk management process has been codified in a risk register, registers are maintained by each SLT as well as the Trust Head Office and consolidated into an organisation wide perspective.

The principal financial risk faced by the company is that on-going pressure on funding/ need to increase student numbers 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 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.

Other risks under active management cover the imbedding of organisational structures and processes through the period of growth of the Trust, ensuring actions are taken to deliver statutory, regulatory and reporting compliance. This has seen recent appointments to the Trust Head Office team to add capacity and expertise in time for the organisational growth.

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 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

**Fundraising**

Endeavour MAT and its constituent schools organise fundraising events and appeals and work with our Parents & Friends Association and Parent Teacher Associations 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, school blogs, our websites and via students.

**ENDEAVOUR MAT**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Plans for Future Periods**

Endeavour MAT opened Stone Lodge School in September 2019 in temporary accommodation and will be working with the Department for Education over the next two years to deliver the permanent buildings and school site for September 2021. The Trust also plans to submit an application in the current Free School application round to open a new secondary school in Gravesend, a closely neighbouring area to the existing base of schools in Dartford.

**Funds held as Custodian Trustee on behalf of others**

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

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 the information

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

**J Horgan**  
**Chair of Trustees**

## ENDEAVOUR MAT

(A Company Limited by Guarantee)

### Governance Statement

#### 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. They are also responsible for reporting to the governing body 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Horgan, J (Chair)	5	6
Clark, P	1	6
Connell, D	6	6
Daniels, S (appointed 01/11/2018)	3	5
Hammond, P (resigned 12/10/2018)	0	0
Kemsley, S	5	6
Lodge, D (Accounting Officer)	6	6
Maidment, G	4	6
Mavin, Y (resigned 14/09/2019)	5	6
Strachan, D	4	6

Governance reviews:

Early in the year the board of Trustees reviewed the operation of its committee structure and concluded that duplication of business at the Education Committee was undesirable and decided to disband the committee and conclude the necessary business directly at Board level.

Each year the board of Trustees reviews its own performance and effectiveness, the balance of skills at its disposal and how best to structure the governance of the organisation for the next phase of development of the Trust as well as undertaking an annual review and update of Terms of Reference.

The board of Trustees has also undertaken a programme of standardisation and rationalisation of data and reports to be presented to both Local Governing Bodies and Trustees in order to ensure the right data is presented to the appropriate group and can be clearly considered and acted upon.

The Finance & Audit Committee is a sub-committee of the main 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.

## **ENDEAVOUR MAT**

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### **Governance Statement (continued)**

#### **Governance (continued)**

Attendance of members of the Committee at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Strachan, D (Chair)	2	2
Clark, P	1	2
Daniels, S	1	2
Horgan, J	2	2
Mavin, Y (Resigned 14/09/2019)	1	2

#### **Review of value for money**

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

The Accounting Officer considers how the 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- replacement of all telecoms services across the Trust (including two traditional legacy systems) with a hosted VOIP solution;
- Migration to Office 365 for all email and file storage, saving the cost of operating in-house exchange and other server infrastructure; and
- Five-fold increase in net financial contribution from the letting of school premises as a result of reviewing how this activity is provided.

Future work in pursuit of improved value for money will focus around internet service provision, introduction of BACS payment for purchase ledger and streamlining of purchasing and budget monitoring processes with the use of PS Purchasing.

#### **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 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

## **ENDEAVOUR MAT**

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### **Governance Statement (continued)**

#### **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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed UHY Hacker Young to carry out a programme of internal control testing, reporting to the Finance & Audit Committee. The appointment comprises a series of three visits covering the year. The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period 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

On a termly basis, the reviewer reports to the board of Trustees, either directly or through the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During 2018/19 this programme of work has been delivered as planned with no material control issues arising as a result of the work undertaken.

#### **Review of effectiveness**

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

- the programme of work on internal controls by UHY Hacker Young;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 12 December 2019 and signed on their behalf by:

**J Horgan**  
**Chair of Trustees**

**D Lodge**  
**Accounting Officer**

## **ENDEAVOUR MAT**

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### **Statement on Regularity, Propriety and Compliance**

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

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

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

**D Lodge**

**Accounting Officer**

Date: 12 December 2019



## **ENDEAVOUR MAT**

**(A Company Limited by Guarantee)**

### **Statement of Trustees' responsibilities For the year ended 31 August 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

**J Horgan**  
**Chair of Trustees**

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Endeavour MAT**

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Endeavour MAT**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Endeavour MAT**  
**(continued)**

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Endeavour MAT**  
**(continued)**

**Use of our report**

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

*Kreston Reeves LLP,*

Peter Manser FCA DChA (Senior Statutory Auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

13 December 2019

## **ENDEAVOUR MAT**

**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 24 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Endeavour MAT during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Endeavour MAT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

## **ENDEAVOUR MAT**

**(A Company Limited by Guarantee)**

### **Independent Reporting Accountant's Assurance Report on Regularity to Endeavour MAT and the Education & Skills Funding Agency (continued)**

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Kreston Reeves LLP /*

**Kreston Reeves LLP**

Reporting Accountant  
Chartered Accountants

Canterbury

Date: 13 December 2019

**ENDEAVOUR MAT**  
(A Company Limited by Guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	4	-	67	145	212	1,008
Charitable activities	5	1	10,188	-	10,189	9,053
Teaching schools	34	-	65	-	65	-
Other trading activities	6	195	-	-	195	261
Investments	7	13	-	-	13	6
<b>Total income</b>		<b>209</b>	<b>10,320</b>	<b>145</b>	<b>10,674</b>	<b>10,328</b>
<b>Expenditure on:</b>						
Charitable activities	9	181	10,272	471	10,924	10,026
Teaching schools	34	-	50	-	50	-
		-	-	-	-	-
<b>Total expenditure</b>		<b>181</b>	<b>10,322</b>	<b>471</b>	<b>10,974</b>	<b>10,026</b>
<b>Net (expenditure)/income</b>		<b>28</b>	<b>(2)</b>	<b>(326)</b>	<b>(300)</b>	<b>302</b>
Transfers between funds	20	-	(118)	118	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>28</b>	<b>(120)</b>	<b>(208)</b>	<b>(300)</b>	<b>302</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(716)	-	(716)	735
<b>Net movement in funds</b>		<b>28</b>	<b>(836)</b>	<b>(208)</b>	<b>(1,016)</b>	<b>1,037</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		448	(1,045)	32,845	32,248	31,211
Net movement in funds		28	(836)	(208)	(1,016)	1,037
<b>Total funds carried forward</b>		<b>476</b>	<b>(1,881)</b>	<b>32,637</b>	<b>31,232</b>	<b>32,248</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 51 form part of these financial statements.



**ENDEAVOUR MAT****(A Company Limited by Guarantee)****Registered number: 07682332****Balance Sheet  
As at 31 August 2019**

	<b>Note</b>	<b>2019 £000</b>	2018 £000
<b>Fixed assets</b>			
Tangible assets	15	<b>30,826</b>	30,804
<b>Current assets</b>			
Stocks	16	-	3
Debtors	17	<b>1,380</b>	1,538
Cash at bank and in hand		<b>2,975</b>	2,752
		<u><b>4,355</b></u>	<u>4,293</u>
Creditors: amounts falling due within one year	18	<b>(868)</b>	(886)
		<u><b>3,487</b></u>	<u>3,407</u>
<b>Net current assets</b>		<b>3,487</b>	3,407
<b>Total assets less current liabilities</b>		<b>34,313</b>	34,211
Creditors: amounts falling due after more than one year	19	<b>(25)</b>	(20)
		<u><b>34,288</b></u>	<u>34,191</u>
<b>Net assets excluding pension liability</b>		<b>34,288</b>	34,191
Defined benefit pension scheme liability	27	<b>(3,056)</b>	(1,943)
		<u><b>31,232</b></u>	<u>32,248</u>
<b>Total net assets</b>		<b>31,232</b>	32,248
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	<b>32,637</b>	32,845
Restricted income funds	20	<b>1,175</b>	898
Pension reserve	20	<b>(3,056)</b>	(1,943)
		<u><b>30,756</b></u>	<u>31,800</u>
<b>Total restricted funds</b>	20	<b>30,756</b>	31,800
<b>Unrestricted income funds</b>	20	<b>476</b>	448
		<u><b>31,232</b></u>	<u>32,248</u>
<b>Total funds</b>		<b>31,232</b>	32,248

The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

**J Horgan**  
**Chair of Trustees**

The notes on pages 25 to 51 form part of these financial statements.

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 August 2019**

	<b>Note</b>	<b>2019</b> <b>£000</b>	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<b>553</b>	565
<b>Cash flows from investing activities</b>			
	24	<b>(335)</b>	(102)
<b>Cash flows from financing activities</b>			
	23	<b>5</b>	25
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>223</b>	488
Cash and cash equivalents at the beginning of the year		<b>2,752</b>	2,264
<b>Cash and cash equivalents at the end of the year</b>	25	<b>2,975</b>	2,752
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 51 from part of these financial statements

## **ENDEAVOUR MAT**

**(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the year ended 31 August 2019**

#### **1. General information**

Endeavour MAT is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Wilmington Grange Parsons Lane, Wilmington, Dartford, Kent, DA2 7BB. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

#### **2. Accounting policies**

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

##### **2.1 Basis of preparation of financial statements**

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

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

The financial statements are rounded to the nearest thousand.

The functional currency represented in the financial statements are in GBP.

##### **2.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.3 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 year for which it is receivable and any abatement in respect of the year 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 year in which it is receivable (where there are no performance-related conditions) where 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.

• **Other income**

Other income, including the hire of facilities, is recognised in the year 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 'Stocks' 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'.

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Taxation**

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.7 Tangible fixed assets**

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

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

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

The estimated useful lives are as follows:

Freehold property	- 50 - 75 years
Furniture and equipment	- 5 - 10 years
Computer equipment	- 3 - 5 years
Motor vehicles	- 5 years

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.

**2.8 Stocks**

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

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities**

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

**2.12 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.13 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

**2.14 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.15 Pensions**

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**ENDEAVOUR MAT**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
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**2. Accounting policies (continued)**

**2.16 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 32.

**2.17 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 the funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Academy Trust 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.

*Multi-employer defined benefit pension scheme*

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 27, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £30,826k at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.



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### Notes to the Financial Statements For the year ended 31 August 2019

#### 3. Critical accounting estimates and areas of judgment (continued)

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

##### *Multi-employer defined benefit pension scheme*

Certain employees participate in a teachers' pension multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

##### *Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

#### 4. Income from donations and capital grants

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	Total funds 2018 £000
Donations	67	<b>67</b>	90
Capital Grants	145	<b>145</b>	918
	<hr/>	<hr/>	<hr/>
	212	<b>212</b>	1,008
	<hr/>	<hr/>	<hr/>

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**5. Funding for the Academy Trust's educational operations**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	8,611	<b>8,611</b>	8,052
Other DfE group grants	-	257	<b>257</b>	209
	<hr/> -	<hr/> 8,868	<hr/> <b>8,868</b>	<hr/> 8,261
<b>Other government grants</b>				
	-	631	<b>631</b>	213
Local authority grants				
<b>Other funding</b>				
	1	689	<b>690</b>	579
Other incoming resources				
	<hr/> 1	<hr/> 10,188	<hr/> <b>10,189</b>	<hr/> 9,053
	<hr/> <hr/> 6	<hr/> <hr/> 9,047	<hr/> <hr/> 9,053	
Total 2018				

**6. Income from other trading activities**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Hire of facilities	6	<b>6</b>	20
Catering income	189	<b>189</b>	241
	<hr/> 195	<hr/> <b>195</b>	<hr/> 261
	<hr/> <hr/> 195	<hr/> <hr/> <b>195</b>	<hr/> <hr/> 261

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**7. Investment income**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	Total funds 2018 £000
Bank interest	13	<b>13</b>	6

**8. Expenditure**

	<b>Staff Costs 2019 £000</b>	<b>Premises 2019 £000</b>	<b>Other 2019 £000</b>	<b>Total 2019 £000</b>	Total 2018 £000
Direct costs	6,433	-	1,203	<b>7,636</b>	7,516
Allocated support costs	1,692	582	1,014	<b>3,288</b>	2,510
Teaching school	-	-	50	<b>50</b>	-
	<u>8,125</u>	<u>582</u>	<u>2,267</u>	<u><b>10,974</b></u>	<u>10,026</u>
Total 2018	<u>7,561</u>	<u>904</u>	<u>1,561</u>	<u>10,026</u>	

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £000</b>	<b>Support costs 2019 £000</b>	<b>Total funds 2019 £000</b>	Total funds 2018 £000
Educational operations	7,636	3,288	<b>10,924</b>	10,026
Total 2018	<u>7,516</u>	<u>2,510</u>	<u>10,026</u>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £000</b>	Total funds 2018 £000
Staff costs	<b>6,398</b>	6,141
Technology costs	<b>188</b>	131
Educational supplies & services	<b>256</b>	235
Examination fees	<b>200</b>	171
Staff development	<b>37</b>	26
Other costs	<b>557</b>	437
Depreciation	<b>-</b>	375
	<b>7,636</b>	7,516

For the current year, in the opinion of management all depreciation expense relates to support costs.

**Analysis of support costs**

	<b>Total funds 2019 £000</b>	Total funds 2018 £000
Defined benefit pension scheme - finance costs	<b>48</b>	58
Support staff costs	<b>1,693</b>	1,420
Depreciation	<b>471</b>	93
Technology costs	<b>85</b>	81
Maintenance of premises and equipment	<b>289</b>	182
Cleaning	<b>21</b>	22
Energy	<b>150</b>	131
Rent, rates and other occupancy costs	<b>108</b>	49
Security	<b>6</b>	7
Insurance	<b>42</b>	45
Catering	<b>117</b>	165
Other support costs	<b>162</b>	198
Governance costs	<b>96</b>	59
	<b>3,288</b>	2,510

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**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	2018
	<b>£000</b>	£000
Depreciation of tangible fixed assets	<b>471</b>	468
Fees paid to auditors for:		
- audit	<b>14</b>	11
- other services	<b>4</b>	9
	<b>=====</b>	<b>=====</b>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Wages and salaries	<b>6,088</b>	5,602
Social security costs	<b>541</b>	516
Pension costs	<b>1,339</b>	1,180
	<b>-----</b>	<b>-----</b>
	<b>7,968</b>	7,298
Agency staff costs	<b>137</b>	257
Staff restructuring costs	<b>20</b>	6
	<b>-----</b>	<b>-----</b>
	<b>8,125</b>	7,561
	<b>=====</b>	<b>=====</b>

Staff restructuring costs comprise:

	<b>2019</b>	2018
	<b>£000</b>	£000
Redundancy payments	<b>20</b>	-
Severance payments	<b>-</b>	6
	<b>-----</b>	<b>-----</b>
	<b>20</b>	6
	<b>=====</b>	<b>=====</b>

**b. Non-statutory/non-contractual staff severance payments**

In respect of the staff severance payment of £6k to one individual in the prior year, £2k was non-statutory/non-contractual.

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**11. Staff costs (continued)**

**c. Staff numbers**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
Teachers	<b>100</b>	95
Administration and support	<b>93</b>	94
Management	<b>19</b>	15
	<u><b>212</b></u>	<u>204</u>

**d. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>7</b>	3
In the band £70,001 - £80,000	<b>2</b>	2
In the band £100,001 - £110,000	<b>-</b>	1
In the band £110,001 - £120,000	<b>1</b>	-
	<u><b>1</b></u>	<u>-</u>

Nine of the above employees participated in the Teachers' Pension scheme and one in the Local Government Pension Scheme. Contributions during the year ended 31 August 2019 amounted to £65,972 towards the Teachers' Pension Scheme and £8,297 towards the Local Government Pension Scheme.

**e. Key management personnel**

The key management personnel of the Academy Trust comprise of 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 £1,505,630 (2018: £1,117,448).

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**12. 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:

A flat percentage of 5% (2018: 3.8%) of total General Annual Grant income.

The actual amounts charged during the year were as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Wilmington Grammar School for Boys	<b>220</b>	163
Wilmington Grammar School for Girls	<b>215</b>	157
<b>Total</b>	<b>435</b>	320

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	2018
		<b>£000</b>	£000
Donna Lodge (Head Teacher)	Remuneration	<b>110 - 115</b>	100 - 105
	Pension contributions paid	<b>15 - 20</b>	15 - 20
Lydia Burchett (resigned 31 August 2018)	Remuneration	<b>NIL</b>	55 - 60
	Pension contributions paid	<b>NIL</b>	10 - 15

During the year ended 31 August 2019, expenses totalling £535 were reimbursed or paid directly to 2 Trustees (2018 - £1,051 to 2 Trustees).

**14. Trustees' and Officers' insurance**

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

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**15. Tangible fixed assets**

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2018	31,913	442	53	9	32,417
Additions	358	29	78	28	493
At 31 August 2019	<u>32,271</u>	<u>471</u>	<u>131</u>	<u>37</u>	<u>32,910</u>
<b>Depreciation</b>					
At 1 September 2018	1,408	143	53	9	1,613
Charge for the year	412	48	6	5	471
At 31 August 2019	<u>1,820</u>	<u>191</u>	<u>59</u>	<u>14</u>	<u>2,084</u>
<b>Net book value</b>					
At 31 August 2019	<u><u>30,451</u></u>	<u><u>280</u></u>	<u><u>72</u></u>	<u><u>23</u></u>	<u><u>30,826</u></u>
At 31 August 2018	<u><u>30,505</u></u>	<u><u>299</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>30,804</u></u>

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.

**16. Stocks**

	2019 £000	2018 £000
Items for resale	-	3
	<u><u>-</u></u>	<u><u>3</u></u>

**17. Debtors**

	2019 £000	2018 £000
Trade debtors	52	44
Other debtors	75	132
Prepayments and accrued income	1,253	1,362
	<u><u>1,380</u></u>	<u><u>1,538</u></u>



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**18. Creditors: Amounts falling due within one year**

	<b>2019</b>	2018
	<b>£000</b>	£000
Other loans	<b>5</b>	5
Trade creditors	<b>246</b>	280
Other taxation and social security	<b>143</b>	138
Other creditors	<b>135</b>	122
Accruals and deferred income	<b>339</b>	341
	<u><b>868</b></u>	<u>886</u>
	<b>2019</b>	2018
	<b>£000</b>	£000
Deferred income at 1 September 2018	<b>236</b>	241
Resources deferred during the year	<b>207</b>	236
Amounts released from previous periods	<b>(236)</b>	(241)
	<u><b>207</b></u>	<u>236</u>

At the balance sheet date the academy trust was holding funds received for trips and activities in respect of the following financial year.

**19. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	2018
	<b>£000</b>	£000
Other loans	<b>25</b>	20

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%.

An additional loan was provided to the Trust in 2018/19. This loan is repayable over ten years, at an interest rate as set by the Public Works Loan Board rate.

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**20. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds	448	209	(181)	-	-	476
<b>Restricted general funds</b>						
General Annual Grant (GAG)	657	9,116	(8,821)	(56)	-	896
Other DfE / ESFA grants	-	128	(128)	-	-	-
Pupil premium	20	126	(99)	-	-	47
Start up grant re Stone Lodge	25	393	(339)	(52)	-	27
Other government grants	18	239	(239)	-	-	18
Other restricted funds	178	756	(752)	(10)	-	172
NWKTSA	-	65	(50)	-	-	15
Pension reserve	(1,943)	(503)	106	-	(716)	(3,056)
	<b>(1,045)</b>	<b>10,320</b>	<b>(10,322)</b>	<b>(118)</b>	<b>(716)</b>	<b>(1,881)</b>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	26,039	-	(317)	(42)	-	25,680
DfE group capital grants	6,634	145	(138)	27	-	6,668
Capital expenditure from GAG and other funds	172	-	(16)	133	-	289
	<b>32,845</b>	<b>145</b>	<b>(471)</b>	<b>118</b>	<b>-</b>	<b>32,637</b>
<b>Total Restricted funds</b>	<b>31,800</b>	<b>10,465</b>	<b>(10,793)</b>	<b>-</b>	<b>(716)</b>	<b>30,756</b>
<b>Total funds</b>	<b>32,248</b>	<b>10,674</b>	<b>(10,974)</b>	<b>-</b>	<b>(716)</b>	<b>31,232</b>

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**20. Statement of funds (continued)**

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.

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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Wilmington Grammar School for Boys	<b>348</b>	332
Wilmington Grammar School for Girls	<b>838</b>	733
MAT Central Services	<b>465</b>	281
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>1,651</b>	1,346
Restricted fixed asset fund	<b>32,637</b>	32,845
Pension reserve	<b>(3,056)</b>	(1,943)
	<hr/>	<hr/>
<b>Total</b>	<b>31,232</b>	32,248
	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the Financial Statements**  
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Wilmington Grammar School for Boys	3,031	802	599	521	<b>4,953</b>	4,916
Wilmington Grammar School for Girls	2,709	725	568	403	<b>4,405</b>	4,281
MAT Central Services	257	662	51	175	<b>1,145</b>	361
<b>Academy Trust</b>	<u>5,997</u>	<u>2,189</u>	<u>1,218</u>	<u>1,099</u>	<u><b>10,503</b></u>	<u>9,558</u>

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**20. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds	437	273	(262)	-	-	448
<b>Restricted general funds</b>						
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>(29)</u>	<u>735</u>	<u>(1,045)</u>
<b>Restricted fixed asset funds</b>						
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>-</u>	<u>32,845</u>
<b>Total Restricted funds</b>	<u>30,774</u>	<u>10,055</u>	<u>(9,764)</u>	<u>-</u>	<u>735</u>	<u>31,800</u>
<b>Total funds</b>	<u>31,211</u>	<u>10,328</u>	<u>(10,026)</u>	<u>-</u>	<u>735</u>	<u>32,248</u>

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Tangible fixed assets	-	-	30,826	<b>30,826</b>
Current assets	475	2,039	1,841	<b>4,355</b>
Creditors due within one year	1	(864)	(5)	<b>(868)</b>
Creditors due in more than one year	-	-	(25)	<b>(25)</b>
Provisions for liabilities and charges	-	(3,056)	-	<b>(3,056)</b>
<b>Total</b>	<b>476</b>	<b>(1,881)</b>	<b>32,637</b>	<b>31,232</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Restricted fixed asset funds 2018 £000</b>	<b>Total funds 2018 £000</b>
Tangible fixed assets	-	-	30,804	30,804
Current assets	448	1,779	2,066	4,293
Creditors due within one year	-	(881)	(5)	(886)
Creditors due in more than one year	-	-	(20)	(20)
Provisions for liabilities and charges	-	(1,943)	-	(1,943)
<b>Total</b>	<b>448</b>	<b>(1,045)</b>	<b>32,845</b>	<b>32,248</b>

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**22. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(300)</b>	302
<b>Adjustments for:</b>		
Depreciation	<b>471</b>	468
Capital grants from DfE and other capital income	<b>(145)</b>	(918)
Interest receivable	<b>(13)</b>	(6)
Defined benefit pension scheme cost less contributions payable	<b>347</b>	277
Defined benefit pension net finance cost	<b>48</b>	58
Decrease in stocks	<b>3</b>	10
Decrease in debtors	<b>158</b>	90
(Decrease)/increase in creditors	<b>(16)</b>	284
<b>Net cash provided by operating activities</b>	<b>553</b>	565

**23. Cash flows from financing activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Government loans	<b>5</b>	25
<b>Net cash provided by financing activities</b>	<b>5</b>	25

**24. Cash flows from investing activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Dividends, interest and rents from investments	<b>13</b>	6
Purchase of tangible fixed assets	<b>(493)</b>	(1,026)
Capital grants from DfE Group	<b>145</b>	918
<b>Net cash used in investing activities</b>	<b>(335)</b>	(102)

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**Notes to the Financial Statements**  
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**25. Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	<b>£000</b>	£000
Cash in hand	<b>2,975</b>	2,752
<b>Total cash and cash equivalents</b>	<b>2,975</b>	2,752

**26. Capital commitments**

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>Contracted for but not provided in these financial statements</b>		
Expenditure contracted but not provided in the Financial Statements	<b>1,748</b>	416

**27. Pension commitments**

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

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

Contributions amounting to £125k were payable to the schemes at 31 August 2019 (2018 - £117k) and are included within creditors.

**Teachers' Pension Scheme**

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.



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### Notes to the Financial Statements For the year ended 31 August 2019

#### 27. Pension commitments (continued)

##### 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £732k (2018 - £664k).

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 contribution made for the year ended 31 August 2019 was £345k (2018 - £307k), of which employer's contributions totalled £265k (2018 - £236k) and employees' contributions totalled £ 80k (2018 - £71k). The agreed contribution rates for future years are 20 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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**27. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	2018
	%	%
Rate of increase in salaries	<b>3.70</b>	3.80
Rate of increase for pensions in payment/inflation	<b>2.20</b>	2.30
Discount rate for scheme liabilities	<b>1.85</b>	2.65

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

	<b>2019</b>	2018
	Years	Years
<i>Retiring today</i>		
Males	<b>22.1</b>	23.1
Females	<b>24.0</b>	25.2
<i>Retiring in 20 years</i>		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5

**Sensitivity analysis**

	<b>2019</b>	2018
	£000	£000
Discount rate +0.1%	<b>6,884</b>	5,384
Discount rate -0.1%	<b>7,210</b>	5,637
Mortality assumption - 1 year increase	<b>7,302</b>	5,693
Mortality assumption - 1 year decrease	<b>6,798</b>	5,331
Salary rate +0.1%	<b>7,067</b>	5,528
Salary rate -0.1%	<b>7,023</b>	5,490
Pension rate +0.1%	<b>7,187</b>	5,619
Pension rate -0.1%	<b>6,906</b>	5,402

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**27. Pension commitments (continued)**

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

	<b>At 31 August 2019</b>	At 31 August 2018
	<b>£000</b>	£000
Equities	<b>2,718</b>	2,431
Gilts	<b>360</b>	317
Bonds	<b>29</b>	27
Property	<b>465</b>	441
Cash	<b>107</b>	109
Other assets	<b>310</b>	241
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>3,989</b>	3,566
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £167k (2018 - £144k).

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

	<b>2019</b>	2018
	<b>£000</b>	£000
Current service cost	<b>(503)</b>	(512)
Past service cost	<b>(109)</b>	-
Interest income	<b>98</b>	85
Interest cost	<b>(146)</b>	(143)
Administrative expenses	<b>(2)</b>	(1)
	<hr/>	<hr/>
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(662)</b>	(571)
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>At 1 September</b>	<b>5,509</b>	5,436
Current service cost	<b>503</b>	512
Interest cost	<b>146</b>	143
Employee contributions	<b>80</b>	71
Actuarial losses/(gains)	<b>785</b>	(676)
Benefits paid	<b>(87)</b>	23
Past service costs	<b>109</b>	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>7,045</b>	5,509
	<hr/> <hr/>	<hr/> <hr/>

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £83k (or 1.2% as a percentage of total liabilities).

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**27. Pension commitments (continued)**

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

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>At 1 September</b>	<b>3,566</b>	3,093
Interest income	<b>98</b>	85
Actuarial gains	<b>69</b>	59
Employer contributions	<b>265</b>	236
Employee contributions	<b>80</b>	71
Benefits paid	<b>(87)</b>	23
Administration expenses	<b>(2)</b>	(1)
<b>At 31 August</b>	<b>3,989</b>	3,566

**28. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Not later than 1 year	<b>8</b>	4
Later than 1 year and not later than 5 years	<b>14</b>	1
	<b>22</b>	5

**29. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**30. Related party transactions**

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

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses as already disclosed in note 13.

These transactions were conducted on normal commercial terms, at arm's length, without the exercise of any influence by the related party involved.

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**31. Post balance sheet events**

On 1 September 2019, Stone Lodge School newly opened as a member school of the Academy Trust.

**32. 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 2019 the trust had unspent funds brought forward of £10,286 (2018: £Nil), received £26,584 (2018: £26,130) and disbursed £36,870 (2018: £15,844) from the fund. An amount of £Nil (2018: £10,286) is included within creditors: amounts falling due in less than one year relating to undistributed funds.

**33. Controlling party**

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

**34. Teaching school trading account**

	<b>2019</b>	<b>2019</b>	2018	2018
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Income</b>				
<b>Direct income</b>				
Grants	<b>65</b>		-	
	<hr/>		<hr/>	
<b>Total direct income</b>	<b>65</b>		-	
<b>Total income</b>		<b>65</b>		-
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	<b>34</b>		-	
	<hr/>		<hr/>	
<b>Total direct expenditure</b>	<b>34</b>		-	
<b>Other expenditure</b>				
Other support costs	<b>16</b>		-	
	<hr/>		<hr/>	
<b>Total other expenditure</b>	<b>16</b>		-	
<b>Total expenditure</b>		<b>50</b>		-
<b>Surplus from all sources</b>		<b>15</b>		-
		<hr/>		<hr/>
<b>Teaching school balances at 31 August 2019</b>		<b>15</b>		-
		<hr/> <hr/>		<hr/> <hr/>