

REGISTERED COMPANY NUMBER: 08056907 (England and Wales)

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014  
FOR  
THE ENQUIRE LEARNING TRUST**

WEDNESDAY



\*A3YLBHM0\*

A08

07/01/2015

#286

COMPANIES HOUSE

Ribchesters Group Limited  
Registered Auditors  
67 Saddler Street  
Durham City  
DH1 3NP

**THE ENQUIRE LEARNING TRUST**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 11
Governance Statement	12 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees Responsibilities	15
Report of the Independent Auditors	16
Independent Auditor's Report on Regularity	17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 38

**THE ENQUIRE LEARNING TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**MEMBERS**

J Davis  
J Harrison  
K Collum  
Sir M Thornton  
B Howse

**TRUSTEES**

J Harrison  
D B Holmes  
R Woods  
C I Hewitt (appointed 1/6/2014)  
J Cassidy (appointed 1/12/2014)  
J Mellor (appointed 1/12/2014)

**COMPANY SECRETARY**

D B Holmes

**REGISTERED OFFICE**

Unit 5 Calder Park  
Navigation Court  
Wakefield  
West Yorkshire  
WF2 7BJ

**REGISTERED COMPANY NUMBER**

08056907 (England and Wales)

**SENIOR STATUTORY AUDITOR**

David Holloway BA FCA DChA

**AUDITORS**

Ribchesters Group Limited  
Registered Auditors  
67 Saddler Street  
Durham City  
DH1 3NP

**SOLICITORS**

Swinburne Maddison  
Venture House  
Aykley Heads Business Centre  
Durham  
DH1 5TS

**BANKERS**

Lloyds Bank PLC  
223 Finney Lane  
Heald Green  
Stockport  
Cheshire  
SK8 3PY

**THE ENQUIRE LEARNING TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Directory of Academies**

Hardwick Green Primary Academy

Tithe Barn Road  
Stockton-on-Tees  
Cleveland  
TS19 8WF  
Principal: Ruth Pickering

Hawthorns School

Sunnyside Moss Campus  
Lumb Lane  
Audenshaw  
M34 5SF  
Principal: Moira Thompson

Buckingham Primary Academy

Buckingham Street  
Hull  
HU8 8UG  
Executive Principal: Jamie Holbrook  
Head of School: Paul Goodwin

Humberston Cloverfields Academy

St Thomas Close  
Humberston  
Grimsby  
DN36 4HS  
Principal: Carole Spruce

Middlethorpe Primary Academy

Highthorpe Crescent  
Cleethorpes  
North East Lincolnshire  
DN35 9PY  
Executive Principal: Jamie Holbrook  
Head of School: Rebecca Hill

Eastfield Primary Academy

Margaret Street  
Immingham  
South Humberside  
DN40 1LD  
Principal: Rebecca Shearer

Southcoates Primary Academy

Southcoates Lane  
Hull  
HU9 3TW  
Principal: Ted Chamberlain

Lime Tree Primary Academy

Budworth Road  
Sale  
M33 2RP  
Executive Principal: Simon Beswick  
Head of School: Alison Dean

Laceby Acres Academy

Swiftsure Crescent  
Grimsby  
Lincolnshire  
DN34 5QN  
Principal: Sharon Clapson

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust is a company limited by guarantee (registration number 08056907) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Enquire Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Enquire Learning Trust.

Details of the trustees who served during the year 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**

There are no qualifying third party indemnity provisions in respect of trustees.

**Principal activities**

The Enquire Learning Trust is a company limited by guarantee with charitable aims. It is a multi-academy trust providing primary level education in a number of academies throughout the North of England.

**Recruitment and appointment of new trustees**

The Trust has actively sought trustees that fulfil one or more of a number of criteria:

- Significant and successful business experience
- Financial acumen and experience
- Educational expertise and experience
- Organisational development expertise
- Congruence with the Trusts key aims and core values

Where new academies are incorporated, the Trust actively seeks to induct a member of the local Governing Body into the wider trust governance.

**Induction and training of new trustees**

The Trust has adopted a binding protocol that:

- Meetings of Trustees will be to help with The Enquire Learning Trust academies
- Meetings will focus on aspects of the Trust core business and develop the strategic direction of the Trust
- Meetings of Trustees provide a forum in which executive directors and other officers can be challenged, supported and held to account
- Academy principals are invited to Trustee meetings to articulate and disseminate their work and invite scrutiny
- Trustees will engage in a schedule of Academy visits to garner a deeper insight into the work of the Trust and aid strategic decision making
- Trustees will be drawn into the detail of our strategic planning as their expertise allows

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The organisational structure and how decisions are made is illustrated below. This is a model that ensures that significant decision making is delegated to academy principals and the Trust's layers of governance are designed to assure sound decision making, check effective implementation, monitor impact and affect accountabilities.

The Trust reviews its governance arrangement on an annual basis to reflect changes in the Academies Financial Handbook and organisational need.

**Trustees**

Trust strategic direction  
Approval of academy plans  
Officers' accountability  
Approval of reports to Trustees  
Human resources policy  
Trust policy approval and compliance  
Asset management  
Appointment of local governors  
Academy acquisitions  
Appointment of Directors  
Appointment of Officers  
Appointment of academy leaders

**Board of Trustees**

Approval of Trust financial  
strategy and financial reporting  
Approval of Directors' Report

**Local Governing Body**

Academy budget and financial control  
Academy development planning  
Appointment of academy staff  
Monitoring and challenge of academy  
performance  
Community connections and  
partnerships

As the trust has grown - across six Local Authority areas - there has been a move towards harmonisation of local decision making. A comprehensive scheme of delegation has been implemented across all academies and all Local Governing Bodies are actively adopting standardised terms of reference to underpin their work following a review of their membership, leadership, structure and core processes. Revised terms of reference for the Board of Trustees have also been created with a view to adoption.

**Related parties**

The Trust has formal connections with Enquire Ltd, a company controlled by Mr D B Holmes and Mr R Woods. A tripartite agreement has been framed and approved by the Secretary of State for Education, which underpins this relationship. The Trust also enters into formal and informal commercial Partnerships to provide outsourced services. Increasingly, as the Trust grows these service are being brought within the organisation so afford greater control, accountability and effectiveness.

Other significant partnerships that we enter into in pursuance of our aims are: DfE Academies brokerage division, Local Education Authorities and other Academies Trusts. The Trust is accountable to the Secretary of State through the Office of the Schools Commissioner. The DfE have connected The Enquire Learning Trust to the Regional Schools Commissioner in the north region.

**Risk management**

The trustees have a duty to identify and review the risks to which the academy is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Enquire Learning Trust maintains a risk register for the whole organisation and for each individual academy. This evaluates risk at various levels:

- Organisational: our business processes
- Financial: our resources
- Educational: our outcomes and external value judgements
- Relational: our Partnerships

This is reviewed and updated on a regular and frequent basis and reported to the Board of Directors.

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, aims and significant activities**

We believe that all learners can be powerful learners given access to good learning experiences. We want children and the academies they attend to be confident, successful and ambitious.

We envisage a Trust where well led, highly skilled and committed professionals collaborate, learn and innovate together to ensure that all academies are successful and where all learners have access to effective and innovative provision that meets their needs and aspirations.

We want to add value to achievement and raise standards. We also want to change lives. We know this requires our provision and our practice to be world class - because of the distance we have to travel, we understand that good will not be good enough, and that we need to develop a shared appreciation of excellence and then strive to enact this every day.

We need to show that we take learning seriously and work together to create a vibrant culture in which this can happen. We know that it's what we do that counts and that our thinking must be visible in classrooms if it is to have leverage. Children are at the forefront of all that we do and aspire to do. We need to take serious steps to engage them, to hear their voice in authentic ways and then to use their insight and expertise to develop radical pedagogies that taps into their passions and interests and use the potential of emergent technologies.

Our goals are:

- To create 30 new academies - converters and sponsored - by July 2016
- To ensure that all academies are judged outstanding within one full inspection cycle after joining the trust
- To build a strong, confident and diverse community of schools that transforms the learning and life chances of young people
- To be the employer of choice for the most talented education professionals in the localities we serve
- To add value to local communities and economies

Year 1 objectives were:

1. To establish a viable, sustainable and vibrant organisation that is well placed to offer excellent challenge and support to academies
2. To open 12 academies including at least 3 via the sponsored route
3. To ensure successful transition of academies into the ELT
4. To establish a distinctive and effective model for improvement of ELT academies and secure improved learning and outcomes for all children attending our academies.

These were met in full and the trust experienced a significant improvement in the performance of its academies during its first year of operation.

The Enquire Learning Trust is actively building three clusters of academies based in the North of England.

The clusters of between 5 and 8 academies will be roughly based in;

- the Humber
- Greater Manchester
- Tees Valley and North Yorkshire

We await the decision on the Regional Schools Commissioner around a prospective fourth cluster based in South Yorkshire. This has been prompted by a high level of interest from establishments in the this area.

Each cluster will be involved in cross trust learning and improvement activity and benefit from Trust wide challenge and support including:

- Access to a designated academy improvement professional
- Access to support and challenge for the development of Leadership Capacity
- Access to a designated Local Leader of Education or National Leader of Education
- Access to the resources and connections provided by our Teaching School Alliance based at Hawthorns Academy and Lime Tree Academy
- Access to joint practice development opportunities within clusters and across the Trust as a whole
- Access to specialist leaders of Education
- Enhanced governance arrangements where required
- Access to human resources support and financial expertise

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, aims and significant activities - continued**

We have the collective aspiration that all of our academies will become great places for children to learn and that they will travel that journey to being great faster than if they had not been part of the Enquire Learning Trust. Our ambition must be to ensure that as quickly as is practicably possible in every one of our academies;

- Every child makes good or better progress
- Attainment is above national average in every academy
- In every classroom teaching is judged to be good or better
- All children develop powerful behaviours for learning
- And all children experience a world class curriculum offering

And these are our minimum expectations because our aspiration must be that in every classroom, in every academy, every day; children are involved in extraordinary learning experiences.

At the heart of the work of the Enquire Learning Trust is that our strength lies in the outstanding practice and provision which already exists in so many of our academies and our willingness to learn from excellent approaches to learning from beyond the Trust. Across the Trust we need to:

- ensure that we know all our academies contexts, strengths and areas for future development
- demonstrate that all academies are monitored, supported and challenged so that improvement is rapid, sustainable and durable
- clearly identify and articulate the difference the trust makes to academy improvement

We need to draw upon the expertise that already exists inside our academies. This applies to business and administrative support, to professional development and to academy improvement.

The Trust also operates upon the principle of earned autonomy; those academies which have demonstrated that they are strong self-improving organisations will have greater autonomy than those which have not. The Trust has the legal and, more importantly, the moral authority to intervene if what a school is offering its children is not good enough. However, we must always be guided by the principle that problems are best resolved together rather than by solutions being imposed. The Trust will use its legal powers of intervention in those rare cases where a collaborative approach has failed to bring about the necessary improvements for children and their learning.

The Enquire Learning Trust has identified a number of central principles that form the keys to the success of organisation, its member schools and the learners that they serve. We are committed to an approach that:

- is grounded in the real priorities that we identify with academy leaders in their schools, because we can only expect schools to participate if real needs are met and we recognise the ground truths inside our academies
- is based on the best research evidence that is available to us, because there is real wisdom in research and our children will learn most effectively if we are able to convert this wisdom into action and practice
- puts professional learning at the heart of everything we do, because authentic change only happens when those designing learning opportunities engage in real learning for themselves
- emphasises collaborative development and improvement, because the expertise locked away inside academies has the potential to impact on every learner
- realises the potential of academy to academy support and system leadership... because we want to nurture great leaders and liberate them to transfer the life chances of children across the trust
- recognises that great learning is created by great teaching, because when professionals improve their practices and provision, children learn more powerfully

Our approaches to school improvement are built upon a number of key ingredients. Added together these give us both a rich picture of where on its development journey each individual academy in the Trust is and help us to identify the improvement activity we need to generate if authentic improvement is to happen. Some of this activity will take place within individual Academies but we know that whenever we design it so that it involves collaboration between different academies the outcomes become much more powerful. Those key ingredients include:

**o Enquiries into progress and practice: three enquiries in every academy every year**

- one an immersion into the life and work of the school,
- the second focused upon an aspect of practice where the academy believes significant improvement has occurred
- the third to give the school an external view of it's SEF judgement including the added value of being part of the Trust



**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, aims and significant activities - continued**

o **Ofsted Enquiry:** an enquiry focused upon the Ofsted process will also be available to all academies as and when the need is felt

o **Data Summary:** A detailed analysis of current Raiseonline data and a regularly updated and accurate projection of the attainment, progress and attendance of learners across the school.

o **Risk Register:** each academy in consultation with the leadership of the Trust will complete and regularly review a risk register; the key question being 'what are the risks of this academy not either sustaining its outstanding judgement or not moving to the next level in its next Ofsted inspection. The risk register will include mitigating actions if risks are considered to be high.

o **Quality of Teaching Validation:** at the heart of any judgement of how successful a school is the quality of teaching in classrooms. There should be bi-annual opportunities in for the leadership of each academy to have external validation of their observations and judgements on the quality of teaching.

o **Academy Improvement Planning:** an outcome of the processes of enquiry and external review will be an academy development plan, created by the leadership of each individual academy.

o **Principal Performance Review:** this should be tightly aligned to the identified priorities of each academy

Whenever possible leaders will be involved in enquiry into one another's academies so that activity levers new and improved practices and provides a vehicle for academies to learn from the best of one another's work. This activity will help the Trust to identify and develop the improvement activity which needs to be generated across all establishments. The improvement activity falls into four core areas:

o **Academy Focused Improvement:** this is activity generated within each academy. It's the internal activity which turns the aspirations of the Academy Development Plan into reality. It may be whole schools priorities, focused in one part of the academy, or it may involve the one-to-one improvement of individual teachers. Some activity will be done internally, at other times capacity to support this activity will be drawn from across the Trust. The Professional Development offer highlights a number of possibilities that are available to each academy.

o **Leadership Seminars:** these will be half termly in this phase of the development of the Trust. The invitation should be to principal and one other leader from each academy. The purpose is to collaborate around:

- the development of Trust wide strategy
- the sharing of promising practice which is emerging from individual academies
- the identification and co-design of Trust wide learning opportunities for professional at all levels in the Trust
- learning from 'wise or provocative voices' drawn from beyond the Trust

o **Collaborative Learning and Development:** this is a programme of professional learning activities developed in consultation with leaders across the Trust. The foci of programmes will respond to emerging improvement needs in each academy. Areas for development and cohorts of professionals who need professional learning opportunities will be identified and articulated. An emphasis will be placed upon creating learning opportunities that meet the needs all professionals across the Trust. This will include the development of curriculum, subject knowledge, pedagogical repertoire and leadership capacity. The professional development programme includes offerings that are bespoke and academy specific, commissioned by a group of a academies within the trust or trust wide. The design and development of new products, artefacts, tools and processes is also a professionally developmental activity that is offered to academy leaders.

o **Cluster Learning and Development:** the principals in each locality cluster meet termly to create a forum in which:

- they can support one another around emerging issues in each academy
- identify professional learning needs in their locality
- develop communities of practice around identified local priorities
- bring ideas and proposal to the wider leadership group

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, aims and significant activities - continued**

The aspiration of this Academy Improvement Strategy is that challenge should be invited by self-improving professionals; leaders who want their organisation to be the best place for learning it possibly can be for children to learn and for adults to work. Challenge will come when the outcomes of collaborative enquiry open up new insights about where to go next. The role of the Trust is to facilitate that activity and help the professionals in each academy to generate the activity which will support them in meeting those challenges.

When a new academy converts to become part of the Trust, an immersion enquiry will take place within 6 weeks. In schools which enter the trust with a 'requires improvement' or 'unsatisfactory' judgement, this will take place within 3 weeks. The outcomes of this will shape the initial Academy Development Plan. There will be an annual immersion enquiry in every academy in the Trust. Because schools enter the Trust at different times of the year the cycle of enquiry activity will vary from academy to academy. The cycle described below acknowledges that variation and there may be a time when the cycle needs to be harmonised.

**Term 1:**

- Annual immersion enquiry
- Risk register review
- Principal Performance Review
- Half termly leadership seminars
- Termly cluster learning and development seminar
- Academy focused improvement
- Collaborative learning and development
- Monthly strategic development seminar

**Term 2:**

- Focused enquiry
- Risk register review
- Quality of teaching validation
- Half termly leadership seminars
- Termly cluster learning and development seminar
- Academy focused improvement
- Collaborative learning and development
- Monthly strategic development seminars

**Term 3:**

- SEF focused enquiry
- Risk register review
- Quality of teaching validation
- Academy improvement strategy
- Half termly leadership seminars
- Termly cluster learning and development seminar
- Academy focused improvement
- Collaborative learning and development
- Monthly strategic development seminars

In addition to doing the urgent and pressing things which will move learning and thereby progress and attainment forwards swiftly, the Trust needs to build the long term sustainable capacity for continuous improvement. Much of this work lies in the development of leaders at all levels who have the ability to help colleagues to move their practice forward. A key part of developing this capacity will be working with the Teaching School Alliance based at Hawthorns School to develop key leaders to ensure the Trust has a growing and developing group of NLE's LLE's and SLE's and that more of our Academies have become National Support Schools.

**Public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year. The trustees consider that the trust's aims are demonstrably to the public benefit.

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Achievement and performance**

*All academy activities*

The Trust was recently invited to explore the growth strategy with the Regional Schools Commissioner and senior DfE civil servants. The session explored the Trust growth strategy and capacity to support schools where improvements are needed. Following a wide ranging and helpful conversation a number of things were broadly agreed:

1. The DfE has confidence in the Enquire Learning Trust to work with academies that are in need of significant development and with those who have greater capacity for sustained improvement.
2. Our school improvement model is robust and our efforts to liberate effective leaders to affect the work of schools other than their own is welcomed.
3. While the growth of the Trust has been rapid the DfE recognise that we have evaluated the risks of possible over expansion at this stage. The DfE are keen to help the Trust to develop in a sustainable way. The Enquire Learning Trust is now considered a large sponsor of academies.
4. As a key element of our growth strategy the Trust has paid due attention to ensuring that the infra structure is developed at a similar pace to our school improvement capacity. We have added several key and strategic posts to the central Trust team and have recruited excellent, high capacity professionals to the roles of HR Officer, ICT Officer, and Accounting Officer.
5. We should continue to develop the Humber cluster the Greater Manchester cluster and Tees Valley cluster according to our current plans and approaches. We are to move ahead with the incorporation of Elliston Primary and Keelby Primary into the Trust. Other Governing Bodies- of maintained schools and existing stand alone academies - have expressed strong interest in joining the Trust and we are working steadily to bring their plans to fruition. These new academies are weighted towards good and outstanding establishments and will bring new capacity and expertise to the Trust.
6. There have been a number of very positive developments in our academies including the appointment of highly talented leaders, teachers and other professionals.

No academies have been inspected by Ofsted within the past year.

*Going concern*

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

**Financial review**

*Reserves policy*

As the number of academies within the Trust increases so will the level of reserves, although not proportionately to the level of funding. As the Trust has a responsibility to ensure viability within each academy it is felt that the appropriate level of reserves currently should be equivalent to circa 3 months operating costs of the largest academy - during 2013/14 the reserve was set at £300,000. The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan taking into consideration the size of the Trust and the number of member academies.

This policy will be monitored regularly for any changes in legislation or directions from the DfE which may have an effect and evaluated in the light of any comments made by the DfE, EFA, auditors and any other interested parties. The level of reserves will be monitored throughout the year and any problematic variances against the level set or potential issues given the current expansion of member academies will be dealt with appropriately.

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Financial review**

*Overall financial review*

**Financial Report for financial year ended 31st August 2014**

The vast majority of the Trusts income is received from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Detail of all grants and income received can be found in Note 5 to the financial statements.

The Trustees main financial responsibilities are:

- To ensure that grant from the EFA is used only for the purposes intended
- To monitor income and expenditure across the academies and track variances
- To ensure that all Trust operations are viable
- To routinely audit member academies
- To regularly review financial risk across the Trust
- To review national and local policy changes and assess potential impact
- To ensure statutory compliance across the Trust
- To ensure financial competency is embedded across the Trust at the appropriate level

These responsibilities were achieved in the period ended 31 August 2014.

The cash balance received from the converted schools has been included in the SOFA as restricted income. The transfer of buildings/land and other legacy assets are included in the restricted fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges as follows:

- 3 year straight line for IT/Technology equipment
- 5 year straight line for other plant
- Lease term for leasehold properties and improvements
- Up to 50 years for freehold buildings

During the period ended 31 August 2014, total expenditure of £7,486,882 was more than covered by recurrent grant funding from the EFA and other minor income sources, excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) was £1,272,065.

At 31 August 2014 the net book value of fixed assets was £26,936,777 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the member academies.

As a limited company, the Trust has taken on the surplus/deficit in relation to its staff that are members of the Local Government Pension Scheme (LGPS). This is incorporated into the SOFA and shown in detail in Note 25 to the financial statements. Trustees are aware of the extent and the potential impact that the transferred pension deficits could have on the financial viability of the Trust and have requested that a comprehensive review is undertaken with a view to consolidating the disparate pension funds across the organisation and addressing the significant deficit over time. Trustees have set aside a reserve of £50,000 to undertake this review and associated work.

The Trust held fund balances at 31 August 2014 of £24,480,908 comprising £1,228,358 of restricted funds, £26,902,373 restricted fixed asset funds, and £143,177 of unrestricted funds. There is a deficit on the pension reserve of £3,793,000.

*Investment policy and objectives*

The aim of this policy is to ensure that any contingency funds held across the Trust are invested in such a way as to maximise income but without risk. As Trustees, we will endeavour to spend public monies with which we are entrusted for the direct education benefit of all our students as is prudent. We do not consider the investment of surplus funds as a primary activity but as good practice in the pursuit of maximisation of income. Currently, surplus funds are held in no risk interest bearing current accounts. This arrangement will be reviewed annually as the Trust grows.

**THE ENQUIRE LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Principal risks and uncertainties**

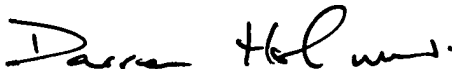
The Enquire Learning Trust was incorporated on 3rd May 2012 with its first member academy joining the Trust on 1st June 2013 - there are 9 member academies as at 31st August 2014. With the rapid and projected expansion of the Trust we are still continuing to develop systems of internal control and related regulatory policies. We have identified the principal financial risks and potential impact within our member academies and will continue to monitor and manage the risks across the Trust:

- Fall in standards and poor Ofsted grading resulting in a decline in parental/community confidence
- Reduced pupil numbers through competition and damaged reputation
- Loss of key personnel
- Changes to Government funding
- The pace of Trust expansion
- LGPS deficit transfers at conversion
- Excessive surpluses across the Trust
- The condition of assets transferred at conversion
- Cash Flow

**AUDITORS**

The auditors, Ribchesters Group Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 December 2014 and signed on the board's behalf by:



D B Holmes - Trustee

**THE ENQUIRE LEARNING TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Scope of Responsibility**

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

The board of the trustees has delegated the day-to-day responsibility to the Chief executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Enquire Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Report of the Trustees 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
J Harrison	4	5
D B Holmes	5	5
R Woods	5	5
C I Hewitt	-	-

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 The Enquire Learning Trust for the period 1 September 2013 to 31 August 2014 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 charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including 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 trustees;
- regular reviews by the trustees of reports which indicate financial performance against the forecasts and of major plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. As permitted by the Department for Education's Financial Handbook the internal audit function has been outsourced to the external auditors. Each quarter a report is prepared and submitted to the local governing body and the Board of Trustees on the operation of the systems of control.

**THE ENQUIRE LEARNING TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Review of Effectiveness**

The accounting officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

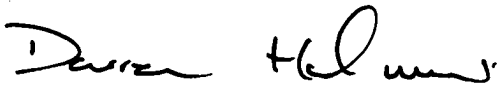
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of management within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer for the trust has been advised of the implications of the results of these reviews of the system and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22 December 2014 and signed on its behalf by:



R Woods - Trustee



D B Holmes - Accounting Officer

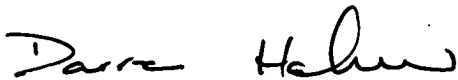
**THE ENQUIRE LEARNING TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of The Enquire Learning Trust I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.



D B Holmes - Accounting Officer

22 December 2014



**THE ENQUIRE LEARNING TRUST**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

The trustees (who act as governors of The Enquire Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

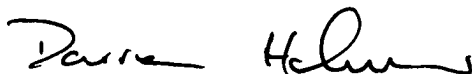
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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 the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 22 December 2014 and signed on it's behalf by:



D B Holmes - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ENQUIRE LEARNING TRUST**

We have audited the financial statements of The Enquire Learning Trust for the year ended 31 August 2014 on pages eighteen to thirty eight. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, the trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.



David Holloway BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Ribchesters Group Limited  
Registered Auditors  
67 Saddler Street  
Durham City  
DH1 3NP

22 December 2014

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE ENQUIRE LEARNING TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Enquire Learning Trust during the period 1 September 2013 to 31 August 2014 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 The Enquire Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Enquire Learning Trust and the EFA 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 The Enquire Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Enquire Learning Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of The Enquire Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

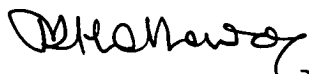
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 matter 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 charitable company's income and expenditure.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Holloway BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Ribchesters Group Limited  
Registered Auditors  
67 Saddler Street  
Durham City  
DH1 3NP

22 December 2014

**THE ENQUIRE LEARNING TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

				Year Ended 31.8.14	Period 3.5.12 to 31.8.13
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	-	2,137	-	2,137
Voluntary income - Transfer from Local Authority on conversion	25	-	(2,124,967)	22,492,750	20,367,783
Activities for generating funds	3	1,866	157,846	-	159,712
Investment income	4	179	961	-	1,140
<b>Incoming resources from charitable activities</b>					
Academy's educational operations	5	610,897	7,131,825	-	7,742,722
<b>Other incoming resources</b>		<u>1,373</u>	<u>81,000</u>	<u>-</u>	<u>82,373</u>
<b>Total incoming resources</b>		<u>614,315</u>	<u>5,248,802</u>	<u>22,492,750</u>	<u>28,355,867</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	7	-	7,660	-	7,660
<b>Charitable activities</b>					
Academy's educational operations		453,149	6,905,917	89,830	7,448,896
<b>Governance costs</b>	9	<u>23,718</u>	<u>6,608</u>	<u>-</u>	<u>30,326</u>
<b>Total resources expended</b>	6	<u>476,867</u>	<u>6,920,185</u>	<u>89,830</u>	<u>7,486,882</u>
<b>NET INCOMING / (OUTGOING) RESOURCES</b>		<u>137,448</u>	<u>(1,671,383)</u>	<u>22,402,920</u>	<u>20,868,985</u>
<b>Other recognised gains/losses</b>					
Actuarial gains / (losses) on defined benefit pensions		<u>-</u>	<u>(628,000)</u>	<u>-</u>	<u>(628,000)</u>
<b>Net movement in funds</b>		<u>137,448</u>	<u>(2,299,383)</u>	<u>22,402,920</u>	<u>20,240,985</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>5,726</u>	<u>(265,256)</u>	<u>4,499,453</u>	<u>4,239,923</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>143,174</u></u>	<u><u>(2,564,639)</u></u>	<u><u>26,902,373</u></u>	<u><u>24,480,908</u></u>

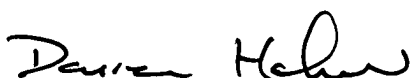
All of The Enquire Learning Trust's activities derive from continuing operations during the above two financial periods.

The notes form part of these financial statements

**BALANCE SHEET**  
**AT 31 AUGUST 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	13	26,936,777	4,493,914
<b>CURRENT ASSETS</b>			
Stocks	14	807	-
Debtors	15	529,592	167,526
Cash at bank and in hand		<u>1,529,032</u>	<u>226,700</u>
		2,059,431	394,226
<b>CREDITORS</b>			
Amounts falling due within one year	16	(722,300)	(289,217)
<b>NET CURRENT ASSETS</b>		<u>1,337,131</u>	<u>105,009</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		28,273,908	4,598,923
<b>PENSION LIABILITY</b>	21	(3,793,000)	(359,000)
<b>NET ASSETS</b>		<u>24,480,908</u>	<u>4,239,923</u>
	20		
<b>FUNDS</b>			
Unrestricted funds:			
General fund		143,177	5,726
Restricted funds:			
Fixed asset fund		26,902,373	4,499,453
Pension reserve		(3,793,000)	(359,000)
Hardwick Green Primary		55,663	81,517
Eastfield Primary		122,752	12,227
Hawthorns School		252,073	-
Laceby Acres		74,511	-
Lime Tree Primary		73,271	-
Southcoates Primary		128,676	-
Buckingham Primary		20,343	-
Humberston Cloverfields		181,954	-
Middlethorpe Primary		55,992	-
Teaching School Alliance		<u>263,123</u>	-
		<u>24,337,731</u>	<u>4,234,197</u>
<b>TOTAL FUNDS</b>		<u>24,480,908</u>	<u>4,239,923</u>

The financial statements were approved by the Board of Trustees on 22 December 2014 and were signed on its behalf by:



D B Holmes -Trustee

The notes form part of these financial statements

**THE ENQUIRE LEARNING TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
<b>Net cash inflow from operating activities</b>	Notes 1	1,348,145	226,849
<b>Returns on investments and servicing of finance</b>	2	558	(149)
<b>Capital expenditure and financial investment</b>	2	(46,371)	-
<b>Increase in cash in the period</b>		<u>1,302,332</u>	<u>226,700</u>

**Reconciliation of net cash flow to movement in net debt**

	3		
<b>Increase in cash in the period</b>		<u>1,302,332</u>	<u>226,700</u>
<b>Change in net debt resulting from cash flows</b>		<u>1,302,332</u>	<u>226,700</u>
<b>Movement in net debt in the period</b>		1,302,332	226,700
<b>Net debt at 1 September</b>		<u>226,700</u>	<u>-</u>
<b>Net debt at 31 August</b>		<u>1,529,032</u>	<u>226,700</u>

All of the cash flows are derived from acquisitions in the current year.

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Net incoming resources	20,868,985	4,238,923
Depreciation charges	96,258	5,740
Transfer from Local Authority on conversion	(19,707,750)	(4,141,654)
Interest received	(1,140)	(33)
Interest paid	582	182
Increase in stocks	(807)	-
Increase in debtors	(362,066)	(167,526)
Increase in creditors	433,083	289,217
Difference between pension charge and cash contributions	<u>21,000</u>	<u>2,000</u>
<b>Net cash inflow from operating activities</b>	<u><u>1,348,145</u></u>	<u><u>226,849</u></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,140	33
Interest paid	<u>(582)</u>	<u>(182)</u>
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<u><u>558</u></u>	<u><u>(149)</u></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(46,371)</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(46,371)</u></u>	<u><u>-</u></u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank and in hand	226,700	1,302,332	1,529,032
<b>Total</b>	<u><u>226,700</u></u>	<u><u>1,302,332</u></u>	<u><u>1,529,032</u></u>

## THE ENQUIRE LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

#### 1. ACCOUNTING POLICIES

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The accounts have been prepared on the presumption that the going concern basis is appropriate.

##### **Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

##### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

##### **Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

##### **Charitable activities**

These are costs incurred on the academy trust's educational operations.

##### **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.



## THE ENQUIRE LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

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

Long leasehold land & buildings	- straight line basis over term of lease
Computer equipment	- 33% on cost

Other depreciation policies, despite there being no assets of their kind within the balance sheet in the current accounting period, are as follows:

IT/Technology equipment	- 3 years straight line
Other plant and equipment	- 5 years straight line
Freehold buildings	- up to 50 years straight line

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

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

##### **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 Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

##### **Hire purchase and leasing commitments**

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

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 1. ACCOUNTING POLICIES - continued

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

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### Leased assets

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

### 2. VOLUNTARY INCOME

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Donations	2,137	-
	<u>2,137</u>	<u>-</u>

### 3. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Hire of facilities	12,852	1,835
Catering income	35,508	-
Supply teacher insurance claim	4,145	-
Other income	107,207	-
	<u>159,712</u>	<u>1,835</u>

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**4. INVESTMENT INCOME**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Deposit account interest	<u>1,140</u>	<u>33</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.14 Total funds £	Period 3.5.12 to 31.8.13 Total funds £
Non-government - Revenue	12,400	118,491	130,891	-
Grants	598,497	6,560,477	7,158,974	415,737
TSA income	<u>-</u>	<u>452,857</u>	<u>452,857</u>	<u>-</u>
	<u>610,897</u>	<u>7,131,825</u>	<u>7,742,722</u>	<u>415,737</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.14 Total funds £	Period 3.5.12 to 31.8.13 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	180,298	5,079,669	5,259,967	295,410
Start Up Grants	250,000	-	250,000	90,000
Pupil Premium Grant	-	343,452	343,452	13,275
Early Years Funding	-	213,540	213,540	17,052
Academy Sponsor Grant	78,200	-	78,200	-
School Improvement Grant	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
	598,498	5,636,661	6,235,159	415,737
<b>DfE/EFA capital grant</b>				
Devolved Formula Capital Grants	-	131,562	131,562	-
<b>Other government grant</b>				
SEN	-	675,854	675,854	-
Local authority grants	<u>-</u>	<u>116,400</u>	<u>116,400</u>	<u>-</u>
	<u>-</u>	<u>792,254</u>	<u>792,254</u>	<u>-</u>
	<u>598,498</u>	<u>6,560,477</u>	<u>7,158,975</u>	<u>415,737</u>

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**6. RESOURCES EXPENDED**

				Year Ended 31.8.14	Period 3.5.12 to 31.8.13
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
<b>Costs of generating funds</b>					
Costs of generating voluntary income	-	-	7,660	7,660	-
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	4,537,443	1,829	717,693	5,256,965	224,593
Allocated support costs	<u>713,266</u>	<u>553,822</u>	<u>924,843</u>	<u>2,191,931</u>	<u>192,203</u>
	5,250,709	555,651	1,650,196	7,456,556	416,796
 Governance costs including allocated support costs	 <u>-</u>	 <u>-</u>	 <u>30,326</u>	 <u>30,326</u>	 <u>6,600</u>
	<u>5,250,709</u>	<u>555,651</u>	<u>1,680,522</u>	<u>7,486,882</u>	<u>423,396</u>

Net resources are stated after charging/(crediting):

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Auditors' remuneration	23,718	6,600
Auditors' remuneration for non-audit work	1,663	-
Depreciation - owned assets	96,258	5,740
Other operating leases	<u>4,212</u>	<u>-</u>

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Costs of activities for generating funds	<u>7,660</u>	<u>-</u>

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
<b>Direct costs - academy's educational operations</b>		
Teaching and educational support staff	4,537,443	219,960
Technology costs	115,749	-
Educational supplies	137,672	975
Staff development	37,783	447
Educational consultancy	113,075	-
Travel & subsistence	8,436	-
Staff related insurance	28,682	1,775
Other direct costs	<u>278,125</u>	<u>1,436</u>
	5,256,965	224,593
<b>Allocated support costs - academy's educational operations</b>		
Support staff costs	713,266	35,883
Depreciation	96,258	5,740
Technology costs	110,032	8,770
Recruitment and support	3,950	-
Maintenance of premises and equipment	165,920	15,944
Cleaning	66,112	393
Rent and rates	71,286	3,502
Energy costs	79,807	2,102
Insurance	81,591	1,265
Security and transport	6,928	-
Catering	129,348	10,004
Interest payable and similar charges	582	182
Other support costs	<u>666,851</u>	<u>108,418</u>
	<u>2,191,931</u>	<u>192,203</u>
	<u><u>7,448,896</u></u>	<u><u>416,796</u></u>

**9. GOVERNANCE COSTS**

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Auditors' remuneration	23,718	6,600
Auditors' remuneration for non-audit work	1,663	-
Governance	<u>4,945</u>	<u>-</u>
	<u><u>30,326</u></u>	<u><u>6,600</u></u>

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2014 nor for the period ended 31 August 2013.

#### Trustees' expenses

The Trust made allowances totalling £272 during the year for expenses claimed by the trustees.

### 11. STAFF COSTS

	Year Ended 31.8.14 £	Period 3.5.12 to 31.8.13 £
Wages and salaries	4,228,955	208,511
Social security costs	279,002	14,420
Other pension costs	<u>654,990</u>	<u>30,010</u>
	5,162,947	252,941
Supply teacher costs	<u>87,762</u>	<u>2,902</u>
	<u>5,250,709</u>	<u>255,843</u>

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

	Year Ended 31.8.14	Period 3.5.12 to 31.8.13
Teachers	230	40
Administration and support	62	9
Management	<u>4</u>	<u>3</u>
	<u>296</u>	<u>52</u>

The number of employees whose emoluments fell within the following bands was:

	Year Ended 31.8.14	Period 3.5.12 to 31.8.13
£60,001 - £70,000	3	-
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>4</u>	<u>-</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £37,236 (2013: £Nil).

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**12. CENTRAL SERVICES**

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services, and
- Others as arising

The trust charges for these services on the following basis:

- Flat percentage of income (4%)

The actual amounts charged during the year were as follows:

	2014	2013
	£	£
Hardwick Green Primary	38,322	9,819
Eastfield Primary	35,410	3,211
Hawthorns School	26,674	-
Laceby Acres	20,134	-
Lime Tree Primary	17,295	-
Southcoates Primary	12,126	-
Buckingham Primary	13,107	-
Humberston Cloverfields	18,517	-
Middlethorpe Primary	2,833	-
	<u>184,418</u>	<u>13,030</u>

**13. TANGIBLE FIXED ASSETS**

	Long leasehold land & buildings	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
<b>COST</b>				
Transfer on conversion	22,492,750	-	-	22,492,750
At 1 September 2013	4,499,654	-	-	4,499,654
Additions	<u>-</u>	<u>8,512</u>	<u>37,859</u>	<u>46,371</u>
At 31 August 2014	<u>26,992,404</u>	<u>8,512</u>	<u>37,859</u>	<u>27,038,775</u>
<b>DEPRECIATION</b>				
At 1 September 2013	5,740	-	-	5,740
Charge for year	<u>89,830</u>	<u>1,561</u>	<u>4,867</u>	<u>96,258</u>
At 31 August 2014	<u>95,570</u>	<u>1,561</u>	<u>4,867</u>	<u>101,998</u>
<b>NET BOOK VALUE</b>				
At 31 August 2014	<u>26,896,834</u>	<u>6,951</u>	<u>32,992</u>	<u>26,936,777</u>
At 31 August 2013	<u>4,493,914</u>	<u>-</u>	<u>-</u>	<u>4,493,914</u>

**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**14. STOCKS**

	2014	2013
	£	£
Stocks	<u>807</u>	<u>-</u>

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

	2014	2013
	£	£
Trade debtors	15,629	1,835
VAT	91,647	11,577
Accrued income	327,748	133,562
Prepayments	<u>94,568</u>	<u>20,552</u>
	<u>529,592</u>	<u>167,526</u>

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

	2014	2013
	£	£
Trade creditors	276,137	132,083
Social security and other taxes	38,160	24,412
Other creditors	43,426	590
Accrued expenses	241,115	100,523
Deferred income	<u>123,462</u>	<u>31,609</u>
	<u>722,300</u>	<u>289,217</u>

<b>Deferred income</b>	2014
	£
Deferred Income at 1 September 2013	31,609
Resources deferred in the year	123,462
Amounts released from previous years	<u>(31,609)</u>
Deferred Income at 31 August 2014	<u>123,462</u>

At the balance sheet date the academy trust was holding funds received in advance relating to Universal Infant Free School Meals to be provided in the 2014/15 academic year.

**17. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Other operating leases
	2014
	£
Expiring:	
Between one and five years	<u>24,501</u>
	<u>25,699</u>



**THE ENQUIRE LEARNING TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**18. 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.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				2014	2013
	Unrestricted fund	Restricted funds	Restricted Fixed Asset funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	1,695	38,248	26,896,834	26,936,777	4,493,914
Current assets	264,423	1,789,469	5,539	2,059,431	394,226
Current liabilities	(122,941)	(599,359)	-	(722,300)	(289,217)
Pension liability	-	(3,793,000)	-	(3,793,000)	(359,000)
	<u>143,177</u>	<u>(2,564,642)</u>	<u>26,902,373</u>	<u>24,480,908</u>	<u>4,239,923</u>

**20. MOVEMENT IN FUNDS**

	At 1.9.13	Incoming resources	Resources expended	Gains and losses	At 31.8.14
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	5,726	614,315	(476,864)	-	143,177
<b>Restricted funds</b>					
Fixed asset fund	4,499,453	22,492,750	(89,830)	-	26,902,373
Pension reserve	(359,000)	(2,704,000)	(102,000)	(628,000)	(3,793,000)
Hardwick Green Primary	81,517	1,066,286	(1,092,140)	-	55,663
Eastfield Primary	12,227	1,140,603	(1,030,078)	-	122,752
Hawthorns School	-	1,586,891	(1,334,818)	-	252,073
Lacey Acres	-	599,328	(524,817)	-	74,511
Lime Tree Primary	-	581,685	(508,414)	-	73,271
Southcoates Primary	-	545,970	(417,294)	-	128,676
Buckingham Primary	-	413,090	(392,747)	-	20,343
Humberston Cloverfields	-	591,219	(409,265)	-	181,954
Middlethorpe Primary	-	974,873	(918,881)	-	55,992
Teaching School Alliance	-	452,857	(189,734)	-	263,123
	<u>4,234,197</u>	<u>27,741,552</u>	<u>(7,010,018)</u>	<u>(628,000)</u>	<u>24,337,731</u>
	<u>4,239,923</u>	<u>28,355,867</u>	<u>(7,486,882)</u>	<u>(628,000)</u>	<u>24,480,908</u>

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

**Unrestricted funds**

The unrestricted funds represent funds available to the trustees to apply for the general purposes of the trust.

**Restricted general funds**

The income and expenditure which each academy receives and incurs and which relates to direct charitable and supporting activities. Income principally derives from government and other grants, expenditure relates to the operation of that particular academy.

As set out in note 12, a charge for central services is made to each academy, this is treated as unrestricted income.

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 20. MOVEMENT IN FUNDS - continued

#### Restricted fixed assets

This fund represents fixed assets transferred on conversion and capital grants received. Surplus cash within this fund is to be used to purchase capital items only.

Depreciation is charged against this fund in accordance with the accounting policy in note 1.

#### Pension reserve

The actuarial reports which are detailed in note 21 have determined that the Local Government Pension Scheme has a deficit of £3,793,000. A provision for this deficit has been provided in the balance sheet and is matched by a Pension Reserve.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Hardwick Green Primary	767,995	96,762	38,645	183,874	1,092,140
Eastfield Primary	663,695	132,030	45,296	189,054	1,030,078
Hawthorns School	996,113	143,253	32,442	161,829	1,334,818
Lacey Acres	370,909	67,831	2,726	83,353	524,817
Lime Tree Primary	316,192	52,360	47,681	92,181	508,414
Southcoates Primary	288,508	39,351	4,301	85,134	417,294
Buckingham Primary	278,193	17,762	15,616	81,173	392,747
Humberston Cloverfields	290,260	46,602	1,172	71,229	409,265
Middlethorpe Primary	543,078	118,382	65,541	191,881	918,881
Teaching School Alliance	-	-	-	189,734	189,734
Central Services	22,500	28,933	-	425,053	476,486
	<u>4,537,443</u>	<u>743,266</u>	<u>253,420</u>	<u>1,754,495</u>	<u>7,288,624</u>

## THE ENQUIRE LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

#### 21. PENSION AND SIMILAR OBLIGATIONS

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

- East Riding of Yorkshire Council
- Stockton-on-Tees Borough Council
- Tameside Metropolitan Borough Council

All are defined-benefit schemes.

The LGPS obligation includes the employees of the academy trust, who were transferred as part of the conversion from the predecessor maintained schools and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2014.

Contributions amounting to £39,617 were payable to the schemes at 31 August and are included within creditors.

#### **Teachers' pension scheme Introduction**

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

#### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

## THE ENQUIRE LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

#### 21. PENSION AND SIMILAR OBLIGATIONS - continued

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

#### Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 21. PENSION AND SIMILAR OBLIGATIONS - continued

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £409,000, of which employer's contributions totalled £330,000 and employees' contributions totalled £79,000. The agreed contribution rates for future years range from 13% to 36.4% for employers between each academy, and range from 5.5% to 12.5% for employees depending on salary.

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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(6,349,000)	(704,000)
Fair value of plan assets	<u>2,556,000</u>	<u>345,000</u>
	<u>(3,793,000)</u>	<u>(359,000)</u>
Deficit	<u>(3,793,000)</u>	<u>(359,000)</u>
Liability	<u>(3,793,000)</u>	<u>(359,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	300,000	15,000
Interest cost	132,000	5,000
Expected return	<u>(81,000)</u>	<u>(5,000)</u>
	<u>351,000</u>	<u>15,000</u>
Actual return on plan assets	<u>154,000</u>	<u>(5,000)</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Defined benefit obligation	(704,000)	-
Current service cost	(300,000)	(15,000)
Contributions by scheme participants	(79,000)	(4,000)
Interest cost	(132,000)	(5,000)
Inherited liability	(4,434,000)	(691,000)
Actuarial losses/(gains)	(701,000)	11,000
Benefits paid	<u>1,000</u>	<u>-</u>
	<u>(6,349,000)</u>	<u>(704,000)</u>

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 21. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of scheme assets	345,000	-
Inherited assets	1,649,000	333,000
Contributions by employer	330,000	13,000
Contributions by scheme participants	79,000	4,000
Expected return	81,000	5,000
Actuarial gains/(losses)	73,000	(10,000)
Benefits paid	(1,000)	-
	<u>2,556,000</u>	<u>345,000</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £557,000.

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.3% - 7.5%	1,925,721	6.7% - 7.9%	270,000
Bonds	2.9% - 3.3%	320,533	3.6% - 3.8%	29,000
Property	4.5% - 6.8%	165,214	4.7% - 7.4%	19,000
Cash	1.1% - 3.3%	138,299	0.9% - 3.6%	21,000
Other	7.5%	6,233	6.7% - 7.9%	6,000
		2,556,000		345,000
Present value of scheme liabilities				
- Funded		<u>(4,315,000)</u>		<u>(704,000)</u>
		<u>(1,759,000)</u>		<u>(359,000)</u>

A building block approach is employed in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2014.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2014	2013
Discount rate	3.7%	5.25%
Expected return on scheme assets	5.65%	6%
Future salary increases	3.9%	4.75%
Future pension increases	2.62%	2.65%
Inflation assumption (CPI)	2.1%	2.5%

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 21. PENSION AND SIMILAR OBLIGATIONS - continued

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males	21.4 - 22.9	19.2 - 22.9
Females	24.0 - 25.4	21.1 - 25.7
Retiring in 20 years		
Males	24.0 - 25.1	23.2 - 24.9
Females	26.6 - 27.7	25.1 - 27.7

Amounts for the current and previous period are as follows:

	2014 £	2013 £
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(6,349,000)	(704,000)
Fair value of scheme assets	2,556,000	345,000
Deficit	(3,793,000)	(359,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £627,000 loss (2013: £1,000 gain).

### 22. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2014.

### 23. RELATED PARTY DISCLOSURES

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.

Mr D B Holmes and Mr R Woods, trustees of this company, are also the controlling shareholders of Enquire Limited. In July 2013 a tripartite agreement was entered into between Enquire Limited, The Secretary of State for Education and The Enquire Learning Trust. This agreement permits Enquire Limited to provide services, at cost to The Enquire Learning Trust. The services which Enquire Limited provide are typically people based resources. The agreement provides that cost for these people based resources will be based on a day rate calculated by dividing the salary of the person plus employment related taxes borne by the employer, pension, essential training and other direct employee related costs, by 210 working days a year. Reasonable travel expenses will be allowed, at cost.

During the year Enquire Limited provided 197 days of people based services and charged £101,050 (2013: £55,100) for these services. At the year end £70,350 (2013: £55,100) was due to Enquire Limited in respect of this.

### 24. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by the board of trustees.

# THE ENQUIRE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2014

### 25. CONVERSION TO AN ACADEMY

The following table sets out the details of each school that converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to The Enquire Learning Trust from the local authorities shown for £nil consideration.

Name of predecessor school	Date of conversion	Local authority
Hawthorns School	1/09/2013	Tameside Metropolitan Borough Council
Lacey Acres	1/02/2013	North East Lincolnshire Council
Lime Tree Primary	1/05/2014	Tameside Metropolitan Borough Council
Southcoates Primary	1/06/2014	Hull City Council
Buckingham Primary	1/06/2014	Hull City Council
Humberston Cloverfields	1/04/2014	North East Lincolnshire Council
Middlethorpe Primary	4/10/2013	North East Lincolnshire Council

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income. The values on conversion were provided by the relevant local authority.

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets £	Total £
<b>Tangible Fixed Assets</b>				
Leasehold land & buildings				
Hawthorns School	-	-	1,920,000	1,920,000
Lacey Acres	-	-	3,997,500	3,997,500
Lime Tree Primary	-	-	6,192,500	6,192,500
Southcoates Primary	-	-	1,236,250	1,236,250
Buckingham Primary	-	-	3,445,500	3,445,500
Humberston Cloverfields	-	-	3,448,000	3,448,000
Middlethorpe Primary	-	-	2,253,000	2,253,000
<b>Total</b>	-	-	22,492,750	22,492,750
<b>Budget surplus on LA funds</b>				
Hawthorns School	-	247,565	-	247,565
Lacey Acres	-	78,454	-	78,454
Lime Tree Primary	-	84,955	-	84,955
Southcoates Primary	-	22,924	-	22,924
Buckingham Primary	-	51,749	-	51,749
Humberston Cloverfields	-	117,481	-	117,481
Middlethorpe Primary	-	56,905	-	56,905
<b>Total</b>	-	660,033	-	660,033
<b>LGPS pension deficit</b>				
Hawthorns School	-	(281,000)	-	(281,000)
Lacey Acres	-	(502,000)	-	(502,000)
Lime Tree Primary	-	(190,000)	-	(190,000)
Southcoates Primary	-	(579,000)	-	(579,000)
Buckingham Primary	-	(666,000)	-	(666,000)
Humberston Cloverfields	-	(402,000)	-	(402,000)
Middlethorpe Primary	-	(165,000)	-	(165,000)
<b>Total</b>	-	(2,785,000)	-	(2,785,000)
<b>Net assets</b>	-	(2,124,967)	22,492,750	20,367,783

All leasehold land & buildings are being leased on a peppercorn rent over a period of 125 years.