

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

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THE CHILDREN'S ENDEAVOUR TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Collins M Dastbaz V Gillespie T Hunt M Millar
Trustees	I H K Scott, Chair of Trustees D T White, Vice Chair B J Benneworth M L Smith S T Coy S Ayres (appointed 16 October 2019) A Timcke (appointed 20 May 2020)
Company registered number	11683082
Company name	The Children's Endeavour Trust
Principal and registered office	Springfield Junior School Kitchener Road Ipswich Suffolk IP1 4DT
Chief executive officer	D Jones (Accounting Officer and ex officio trustee)
Senior management team	D Jones, CEO E King, CFO
Independent auditors	Price Bailey LLP Chartered Accountants and Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
Bankers	Lloyds Bank 13 Cornhill Ipswich Suffolk IP1 1DG
Solicitors	Stone King LLP 3rd Floor Bateman House 82-88 Hills Road Cambridge Cambridgeshire CB2 1LQ

THE CHILDREN'S ENDEAVOUR TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Children's Endeavour Trust (The Trust or the Charitable Company) for the period ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates seven schools. Broke Hall Community Primary School and Springfield Junior School were founder members of the Trust back in January 2019 and serve catchment areas in Ipswich. They had a roll of 978 in the 2020 census. In April 2020, Combs Ford Community Primary School joined the Trust. In May 2020, Abbot's Hall Community Primary School, Bosmere Community Primary School, Chilton Community Primary School and Freeman Community Primary School joined the Trust. The new schools serve catchment areas in Needham Market, Stowmarket and Stowupland. The Academies within the Trust now have a combined capacity of 2,553 against a roll of 2,384 as at August 2020.

It should be noted that the figures included in the comparative column of these financial statements relate to the 8 month period to 31 August 2019, and are therefore not fully comparable to the year ended 31 August 2020, which is a 12 month period.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Broke Hall Community Primary School (BH), converted on 1/1/2019
- Springfield Junior School (SJ), converted on 1/1/2019
- Combs Ford Community Primary School (CF), converted on 1/4/2020
- Abbot's Hall Community Primary School (AH), converted on 1/5/2020
- Bosmere Community Primary School (Bos), converted on 1/5/2020
- Chilton Community Primary School (Ch), converted on 1/5/2020
- Freeman Community Primary School (Fr), converted on 1/5/2020

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. Details of the Trustees who served during the period are included in the Reference and Administrative Details section.

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 amounts may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees and Officers' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The DfE Risk Protection Arrangement (RPA) insurance provides cover up to £10,000,000 on any one claim. This is an aggregated total over the period of one year.

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Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement. Trustees are appointed for a fixed term of 4 years. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for members to appoint up to 9 Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a local training provider. New Trustees attend an induction meeting with the CEO and Chair of Trustees. All Trustees and Governors are required to attend a training programme appropriate to their role with particular emphasis on the committee work that they will undertake. The Chair of Trustees meets termly with the LGB Chairs to share best practice, arrange relevant collaborative Trust training sessions and share relevant information and views for both LGBs and Trustees. The Trust has completed a full skills review of all its Trustees and LGB members and identified key, targeted training sessions to be completed throughout the 2020-21 academic year.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The MGB meets on 6 occasions per year and its 2 sub committees (Finance and Audit Committee and Human Resources and People Committee) at least 3 times per year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments (CEO and Headteachers). The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Headteachers control the Academies at an executive level implementing policies and reporting to their LGB. Each Headteacher is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Senior Management Team (SMT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of the Trust as a whole. The Trust's CEO is the Accounting Officer.

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Arrangements for setting pay and remuneration of key management personnel

The MGB receives and approves the MAT staff structure & complement annually, which they believe will enable the Trust to meet its needs, expectations and vision. The LGBs receive and approve the academy staff structures & complements annually, which they believe will enable the academies to meet their needs and expectations within the Trust's vision. Staffing structures are reviewed and monitored to ensure they are financially sustainable on both short and long term forecasts.

The setting of remuneration for all Trust employees including the CEO is based on nationally agreed pay and conditions. The Trust has established employment policies including a Pay Policy and Appraisal Policy, these policies are in place for all Trust employees.

As identified in the Trust's Pay Policy, the leadership and management team's remuneration is based on the criteria set out in the nationally agreed Pay and Conditions documents and is benchmarked against the nationally agreed leadership pay ranges. The Headteachers' pay ranges are based on the established group size for an academy, these are then reviewed in light of any additional responsibilities undertaken by the Headteachers such as support for other schools. Other leadership salaries are determined by the LGBs in collaboration with the MGB ensuring that responsibilities are remunerated in a fair and transparent manner and that there are sufficient differentials between each tier of management.

All staffing, including key personnel, are subject to robust, evidence based performance management processes these are monitored by the LGBs and CEO. When reviewing the staffing structures, reviews of the successes and challenges of the academies as well as value for money are considered against expended funds on leadership staffing costs.

An external professional advisor is used within the Performance Management process for the CEO and all academy Headteachers.

The Trustees do not offer 'bonus' or 'gratuity' payments to any staff, including key management.

Trade Unions

The Trust recognises the following trade unions for individual and collective representation, consultation and negotiation purposes, in respect of all employees within its family of academy schools:

ASCL, NEU, NAHT, NASUWT, UNISON and Voice.

The Trust agrees to provide on site facilities to trade union representatives and members in order to enable them to discharge trade union duties and undertake trade union activity in support of the scope and objectives of this policy.

The Trust provides the Trade Unions with appropriate information on financial and organisational issues in order to allow meaningful consultation and negotiation, including information required in accordance with the ACAS Code of Practice (Disclosure of information to trade unions for collective bargaining purposes) and for statutory consultation processes. The Trade Unions agree to treat information with sensitivity in cases of genuine commercial confidentiality and to co ordinate their requests for information wherever possible.

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The Trust and Trade Unions have set up a Joint Consultation and Negotiation Committee, consisting of representatives of both sides, to undertake the following functions:

- The provision and sharing of information by the Trust and Trade Unions
- Consultation on employment policies/procedures, working and organisational arrangements and professional issues (as far as they relate to working/employment conditions)
- Negotiation (with the aim of reaching agreement) where the Trust seeks to negotiate specific terms and conditions of employment, including through collective agreements.

The Trust had no employees who were relevant union officials during the year. There were also no costs associated with the outsourcing of trade union activities in the period ended 31 August 2020

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the MGB may have an interest. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

Springfield Teaching School Alliance is part of the Trust and its budget is within the Trust's overall budget.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within our local communities between the ages of 3 and 11. The Trust's main objectives are encompassed in our mission statement, which is 'Promoting Professional Excellence,' to deliver the highest educational standards for all pupils. We believe in collaboration and harnessing professional strengths across organisations to benefit children. Education must enable pupils to realise their potential, building the skills, knowledge and attitudes necessary. We deliver an inspiring curriculum enriched with exciting learning experiences and opportunities.

Vision

Our vision is to ensure that our schools are at least good (in Ofsted terms) with strong and improving outcomes and are able to demonstrate outstanding practices and provision. We ensure that best practice is shared so that all pupils and schools benefit from excellence. We have established a local family of academies by engaging with schools that share our educational vision. We collaborate effectively with the DfE Regional Schools Commissioner and the Local Authority. We use resources efficiently and effectively to ensure value for money and sustainability. We have systems to deliver robust quality assurance, risk management and governance to ensure effective use of finances.

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Objectives, Strategies and Activities

	Strategic Intent	Core Objectives	Success Criteria
1	Leadership and Governance	<ul style="list-style-type: none"> • To ensure a safe, secure and effective environment for pupils, staff and the wider school community • To ensure each of the member schools has effective and compliant local governance aligned to the Trust's vision, ethos and principles • To ensure the Trust has the high-quality leadership in the short, medium and long term. • To ensure the Trust has the highest quality, highly motivated and well-supported workforce and to recruit effectively • To ensure that strategic planning at Trust and school level is highly effective in setting and achieving appropriate goals for Trust and school performance and pupil outcomes • To ensure that new Trustees/Governors/Leaders are inducted successfully in line with statutory requirements. 	<ul style="list-style-type: none"> • Health and Safety duties will be fully compliant. • Safeguarding duties will be fully compliant. • The Trust Board (TB), Committees (TC) and Local Governing Bodies (LGBs) will meet as per the governance schedule. • Performance Management processes within schools will be timely and effective. • HR policies will be faithfully followed and consulted upon with Unions and staff. • Capacity will be developed, and succession planning will be arranged for by LGBs and TB. • Trustees/Governors/Leaders will have timely effective inductions and training. • 10-15 Initial Teacher Training trainees will be recruited as part of the Trust's partnership with <u>EastSCITT</u>.
2	<u>Teaching, Learning and Assessment</u>	<ul style="list-style-type: none"> • To create opportunities for staff to collaborate and share best practice. • To further develop teaching pedagogy and subject knowledge to ensure that progress can be maximised for all groups of pupils. • To ensure that schools effectively assess gaps in learning as a result of the extended lockdown. • To ensure that schools have a remote learning offer in case of further lockdowns. 	<ul style="list-style-type: none"> • School Reviews To take place <u>Autumn</u> 2020, led by Trust Educational Lead and quality assured by external adviser. • 4 x ½ day Follow <u>Up</u> Challenge and Support Visits up visits to monitor improvement strands to take place during the academic year. • Termly structured teacher forum meetings will be delivered with expert input and opportunities for collaboration/networking.

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		<ul style="list-style-type: none"> To identify best use of the catch-up funding to support the identified children address gaps in their knowledge and understanding. To continue to develop the curriculum offer across schools. 	<ul style="list-style-type: none"> SEND Working Group to be established. SENDCos to be released for ½ day per term to form working group focusing on auditing their school's provision and sharing good practice. DSL Supervision/Working Group to be established. DSLs to be released for ½ day per term for supervision meeting and to form working group focusing bringing together practice and sharing good practice. Collaborative School Development Group to be established of Trust Teachers who have a whole school development responsibility and plan. They will be released for ½ day per term to form working group to drive school improvement under the guidance of the CEO.
3	<u>Behaviour, Safety and Welfare of Pupils and Staff</u>	<ul style="list-style-type: none"> To ensure that statutory and best-practice training is delivered to all staff around safeguarding, prevent and safer working practices. To continue to work to improve the attendance of persistent absentees and prevent absenteeism where possible. To sustain positive partnerships with parents, in order to best support and develop children in reaching their full potential. To liaise and engage with external expertise/provision to meet the needs of pupils. 	<ul style="list-style-type: none"> Induction for new staff to be recorded Training logs to be kept. Attendance to be monitored using new Arbor analytics. School by school attendance actions to be informed by data. DSL group to meet each term to share good practice and log to be kept of actions/impact. Leadership Teams/SENDCos to engage proactively with external agencies for the benefit of pupils.
4	<u>Outcomes for Pupils</u>	<ul style="list-style-type: none"> To ensure that all groups of pupils are supported and challenged to enable them to reach their full potential by maintaining high standards of teaching and learning. 	<ul style="list-style-type: none"> National expectations for progress and attainment will be met and exceeded, measured by summative data, including for vulnerable groups such as SEND and disadvantaged.

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		<ul style="list-style-type: none"> To ensure that national expectations for progress and attainment are met and exceeded, measured by summative data. 	
5	<u>Professional Development and working with others</u>	<ul style="list-style-type: none"> To audit the effectiveness of CPD across the Trust by surveying all 'child-facing' staff. To use the findings from use CPD survey to strategically plan CPD opportunities To ensure CPD primarily focuses on improving teachers' subject and pedagogical knowledge To create routine and formalised opportunities to work collaboratively across the Trust. 	<ul style="list-style-type: none"> Trust CPD Audit to be completed annually and findings fed back to Headteachers/Trust Board. Joint Trust CPD to be delivered based on identified need. Staff to engage with opportunities highlighted in section 2 (Success Criteria).
6	<u>Operational Efficiency</u>	<ul style="list-style-type: none"> To build the capacity of the Trust Central Team by drawing upon professional strengths within our schools To use resources efficiently and effectively to ensure sustainability To implement robust quality assurance, risk management to ensure effective use of finances. Premises to be maintained and improved. 	<ul style="list-style-type: none"> Central Team Finance and Admin Capacity will be developed by recruitment. Individual contacts will be considered with a view to bringing them together and delivering economies of scale (e.g. ICT). Half termly Leadership group meetings will identify opportunities to work collaboratively across the schools. Central Trust policies to be reviewed on rolling programme to deliver consistency and take responsibility away from Headteachers (who will still be consulted). Strategic Business Plan will evidence approach to contacts/procurement and services. Monthly Management Accounts will provide financial commentary.

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			<ul style="list-style-type: none"> • Audits will be completed successfully. • CIF Funds will be bid for and projects delivered.
7	<u>Growth and Development</u>	<ul style="list-style-type: none"> • To consolidate our recent growth. • To liaise with schools that share our educational vision with a view to collaborative work in the future. • To collaborate effectively with the DfE Regional Schools Commissioner and the Local Authority. 	<ul style="list-style-type: none"> • CEO will oversee Trust strategic planning. • CEO will facilitate leadership group and oversee school development. • CFO to oversee financial compliance and strategy. • Trust Educational Lead will assess and facilitate school by school development. • CEO will continue to collaborate with other trusts e.g. Appeals Panels, Trade Union Meetings. • CEO will attend CEO network meetings and liaise proactively with the Regional Schools Commissioner and the Local Authority.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements:

In the last year, the Trust:

- Identified 5 schools to join the Trust, increasing to become a 7-school organisation, responsible for nearly 2,500 pupils, 370 staff and £10m of school funding.
- Delivered continuous provision throughout the COVID 19 Pandemic
- Implemented a new online Information Management System across our schools
- Completed an External Audit (October '19) and Internal Audit (June '20) with positive reports
- Trained and implemented our own Admissions Appeals Panel
- Secured a £116,000 Conditions Improvement Funding to improve fire safety
- Thoroughly audited Continuous Professional Development (165 staff member survey)
- Delivered substantial ongoing school-to-school support and CPD via our Teaching school - we have one National Leader in Education (NLE) and over 20 Systems Leaders in Education (SLEs).
- Worked alongside another local trust to successfully bid to become a school based Initial Teacher Training Provider and will recruit and place 10-15 trainees this year.

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Performance Data

The National Lockdown which came into effect on the 23rd March meant that school summative performance data was not collected for the Early Years Foundation Stage Profile, Phonics screening check and Key Stage 1 and 2 assessments. There have been no Ofsted Inspections of the schools since they joined. The overall 2019 attainment data pre-dates the time period for this report and also predates the expansion, but it is the most recent available data and does illustrate the relative strength of the schools. The weighted average for the % of pupils achieving expected standard in reading, writing and maths at Key Stage 2 in 2019 was 65%, in line with the National Average. This was calculated using the pupil numbers from each school.

Key Performance Indicators

The Trustees receive monthly reports on the position of the Trust this information is discussed at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers in the census for 2019/20 were 978, both schools were full and had waiting lists, Broke Hall also has a nursery with 26 places available for morning and afternoon sessions.

Another key financial performance indicator is staffing costs as a percentage of total income excluding conversion balances. For 2019/20 this was 80.0% (2018/19: 79.7%) The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance and Audit Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted 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

The key objective of the trust is to provide an excellent education to pupils from the ages of 3 to 11. The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £7,144,617 (2019: £2,892,636) of GAG and other funding plus £11,249,008 relating to the conversions of the five academies from the local authority (2019: £6,898,890 relating to the conversion of 2 academies). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,312,762 (2019: £3,014,733) on expenditure. The carry forward for 2019/20 is £585,237 (2019: £226,870) restricted funding and £1,178,245 (2019: £118,324) unrestricted funding.

The trust has used this funding to support the key objectives of the trust and to enable the children to have the best possible teaching within a curriculum enriched with exciting learning experiences and opportunities.

The Trust reviewed and updated the Finance Policy in June 2020. Within the Finance Policy is the Accounting Policy; Bad Debt and Redundant Equipment; Charging and Remission; Competitive Tendering; Fixed Asset Accounting Policy; Investment; Letting Policy; Procurement Policy; RoFR; VAT Policy.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £3,664,000 (2019: £1,003,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated period end carry forward figures via the monthly reports from the Business Managers. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,178,245 (2019: £118,324). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

Schools within the trust are expected to hold contingency reserves from their annual GAG funding, or other income, to fund future expenditure related to academy development, strategic long term aims and developments, in addition to provisions for unexpected events and working capital.

The Trustees are holding other unrestricted funds of £1,178,245 (2019: £118,324) to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds these for in period contingencies and always plans to have a carry forward of at least 3% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs. The Trustees expect schools to have appropriate levels of reserves, as determined in the reserves policy within three years of Trust membership. Schools will be expected to plan to meet these levels. All schools within the trust are on course to meet this level by the end of August 20/21.

The Trust's balance on revenue restricted general funds (excluding pension reserve and any fixed asset funds) plus the balance on unrestricted funds at 31 August 2020 was £1,763,482 (2019: £345,194).

The cash balance of the Trust has been very healthy throughout the period, ending the period with a balance of £1,836,908 (2019: £453,098). A proportion of this cash is held by the Teaching School for specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the monthly reports produced by the Business Manager and distributed to the committee.

Principal Risks and Uncertainties

The Trust works with the Headteachers and LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Finance & Audit Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Finance & Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation and statutory returns. The Trustees continually review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - The continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - The success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- All finance staff receive training to keep up to date with financial practice requirements and develop their skills;
- Financial instruments - The Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- Defined benefit pension liability - As the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy continually strengthen its risk management process throughout the period by developing the process and ensuring staff awareness. For example, extra criteria relating to ICT infrastructure and security.

Fundraising

The Trust only held small fundraising events during the period including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. All fundraising undertaken during the period was monitored by the Trustees. During the period no complaints or issues have arisen as a result of the fundraising events.

Plans for Future Periods

The Trust has recently been interviewed by the Local Authority as part of a selection process to sponsor and open a new school in Stowmarket in September 2022. We are awaiting the outcome of this process. We intend to expand further if we can identify schools that share similar principles and would wish to join the Trust.

The Trust has a trust improvement plan designed specifically to address the areas of weak or plateauing performance identified through rigorous review of school performance review and data analysis. Delivery of the plan is overseen by the Educational Lead, Board of Trustees, CEO and leadership group of Headteachers. The capacity to deliver the plan will come from a blend of the Teaching School Alliance, trust leaders with the appropriate track record and the suitably qualified external advisors.

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Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as custodian trustee on behalf of others.

Employees and disabled persons

The Children's Endeavour Trust's ensure that equal opportunities are afforded to all staff, students and stakeholders. Training and career development opportunities are available to all employees. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Employees vulnerable to covid 19 due to health conditions have individual risk assessments.

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings.

At each of the schools, information is channelled via the Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil progress and attainment statistics when they are made available.

The Trust does an annual CPD (Continuous Professional Development) survey. This year 165 staff answered 48 questions which encompassed opportunities and the culture within each academy. The results of this were used to inform development plans.

Equal Opportunities Policy

The Trust's ensure that equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees. The trust publishes equality objectives on the school websites.

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on its behalf by:

I H K Scott
Chair of Trustees

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), 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 Children's Endeavour 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 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
I H K Scott, Chair of Trustees	8	8
D T White, Vice Chair	8	8
B J Benneworth	8	8
M L Smith	6	8
S T Coy	4	8
S Ayres	6	6
A Timcke	2	2

Review of year:

The five founding Trustees remain in place and a further two Trustees have been appointed, based on the needs of the board identified in the annual Trustee Skills Audit. Over the course of the year, the Trust worked on expansion of the organisation, from two schools to seven. This has been a key focus and the CEO oversaw a process of due diligence. As part of the due diligence process, the Trust gathered detailed information about the number of staff (and grades) across the potential joiner schools and the contracts entered into. This information was aggregated, as were the budgets of all the joiner schools. The expansion process culminated in the agreement of the Trust and of five Local Governing Bodies (from the joiner schools) to submit applications, in tandem with a detailed Growth Plan, to the Regional Schools Commissioner for expansion. This was delayed by the parliamentary purdah due to the general election in December. Following the coronavirus lockdown in March the conversion dates were uncertain, however the five new schools joined officially in April and May 2020.

The extended lockdown due to the coronavirus pandemic started on March 23rd and lasted for the rest of the academic year. It presented multiple challenges, but the schools continued to provide remote learning and places for children of key workers and vulnerable pupils. Additional costs relating to covid 19 came up to £7,437.72 of which £4,171 was reimbursed by the DfE.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews

In May, the Trustees completed their annual skills audits using the National Governance Association Framework. The audits were designed to help identify any knowledge, experience, skills and behaviours a Trust Board needs to deliver their functions effectively. The audit comprised of 6 key areas which were assessed on a sliding scale of 0 to 5, with 5 signifying extensive skill/experience and 0 none. The results were as follows:

1. Strategic Leadership	4.1
2. Accountability	3.7
3. People	4.6
4. Structures	4.0
5. Compliance	4.4
6. Evaluation	4.1

All the results were high, but there were also areas to develop. The results of this audit informed the Trust training schedule which is delivered by an excellent external governance consultant. The training includes increasing Trustees awareness of the level of accountability they hold. There has also been a Trustee Safeguarding Training Session. Trust Board meetings include updates relating to the Governance Handbook and Safeguarding. The Trust will review governance again in the Summer of 2021. The final agenda item at Trust Board Meetings is now, 'Reflection on the Meeting.'

The Finance and Audit Committee is a sub committee of the main board of trustees. The Finance and Audit Committee exercises the powers, responsibilities and duties are delegated by the Trust Board and set out in the Terms of Reference and Scheme of Delegation.

Key functions from Terms of Reference:

- 2.1. Shall prepare and recommend to the Trust Board the Trust and School Financial Regulations and Procedures which shall comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Trustees (SoD 5.1 2),
- 2.2. Shall review, recommend to the Trust Board and monitor the individual School one (1) year budgets that are proposed by each Local Governing Body with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.15 16),
- 2.3. Shall review, recommend to the Trust Board and monitor the Trust one (1) year budget which shall consolidate individual School budgets with Trust central costs and charges. It shall also have specific responsibility for ensuring that the Trust budget does not go into deficit (SoD 5.6),
- 2.4. Shall seek to identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member academies through joint commissioning and procurement,
- 2.5. Shall review and approve the Trust and School Interim Year End financial reports prior to audit (SoD 5.10 & 5.17),
- 2.6. Shall review and propose to the Trust Board the appointment and any subsequent re appointment of the Trust's auditors (SoD 5.4),
- 2.7. Shall plan and oversee the statutory audit of Annual Accounts for the Trust and each School,
- 2.8. Shall review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statutes and regulations (SoD 5.11),
- 2.9. Shall review and recommend to the Board the Trustees Report (SoD 5.12),

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

2.10. Shall prepare and recommend to the Trust Board a Trust action plan in response to the auditor's management letter and be responsible for its subsequent implementation (SoD 5.14),

2.11. Shall plan, oversee and monitor the internal audit of the Trust and ensure School compliance with the Trust's financial regulations and procedures. In the event of any non compliance shall recommend and implement appropriate actions to enhance compliance (SoD 5.1 2),

2.12. Shall prepare and approve policies relating to the Trust's financial governance and operation including;

- 2.12.1. Procurement,
- 2.12.2. Anti Fraud and Corruption
- 2.12.3. Investment.
- 2.12.4. Disposal and write off of stock assets

2.13. Shall consider any proposals for Teachers Annual Pay Awards and Support Staff Annual Pay Awards and make recommendations on these to the Trust Board (SoD 3.4 5),

2.14. Shall recommend to the Trust Board expenditure above the OJEU limit having completed the necessary procurement procedures (SoD 6.4) and

2.15. Shall consider and respond to proposed compensation payments up to the limit set by the Education and Skills Funding Agency (SoD 6.5).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Ayres	2	3
B Benneworth	3	4
I Scott	4	4
M Smith	3	4
D White	4	4

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by negotiating services for the seven schools at the same time. This has included Human Resources Support; Access to a Wellbeing Service; Payroll; Clerking of Local Governing Body Meetings and an Educational Welfare Officer. By securing these services as seven schools we have secured better value for money. The Trust has bought into a Finance System and information management system as a group of seven schools. This has saved money and also used time more efficiently as it brings together lots of individual applications into one online system.

The Trust has also saved money on Trustee and Governor Training by organising a bespoke package based on need, rather than paying into a less targeted subscription service. Leadership time in the two schools has been saved as the CEO has written approximately forty Trust Policies.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Children's Endeavour Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has decided to employ Schools Choice as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included monitoring and review, governance, audit and planning, and cycle and budget.

The internal auditor reports to the board of trustees, through the Finance and Audit Committee remotely due to the covid 19 restrictions on behalf of the internal auditors. The review documented a need for further work to develop strategic plans. There were no material control issues arising as a result of the internal auditor's work on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The audit provides an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

THE CHILDREN'S ENDEAVOUR TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the CEO 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on their behalf by:

I H K Scott
Chair of Trustees

D Jones
Accounting Officer

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Children's Endeavour Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

D Jones

Accounting Officer

Date: 14 December 2020

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:

I H K Scott
Chair of Trustees

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILDREN'S ENDEAVOUR TRUST**

Opinion

We have audited the financial statements of The Children's Endeavour Trust (the 'academy trust') for the period ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILDREN'S ENDEAVOUR TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILDREN'S ENDEAVOUR TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Reporting Accountant

Chartered Accountants and

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

18 December 2020

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CHILDREN'S ENDEAVOUR TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20th June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Children's Endeavour Trust during the year 1 September 2019 to 31 August 2020 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 Children's Endeavour Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Children's Endeavour Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Children's Endeavour Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Children's Endeavour Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Children's Endeavour Trust's funding agreement with the Secretary of State for Education dated March 2018 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance;
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities;
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance;
- Discussions with and representations from the Accounting Officer and other key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP
Reporting Accountant
Chartered Accountants and
Statutory Auditors
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 18 December 2020

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds Period ended
	Note	31 August 2020 £	31 August 2020 £	31 August 2020 £	31 August 2020 £	31 August 2019 £
Income from:						
Donations and capital grants:	3					
Income on conversion		1,075,136	(2,216,000)	12,389,872	11,249,008	6,898,890
Other donations and capital grants		-	78,849	144,406	223,255	129,592
Charitable activities	4	51,399	6,732,434	-	6,783,833	2,637,379
Teaching schools	28	-	67,698	-	67,698	87,060
Other trading activities	5	69,321	-	-	69,321	38,466
Investments	6	510	-	-	510	139
Total income		<u>1,196,366</u>	<u>4,662,981</u>	<u>12,534,278</u>	<u>18,393,625</u>	<u>9,791,526</u>
Expenditure on:						
Charitable activities	7	133,461	6,720,506	393,617	7,247,584	2,931,226
Teaching schools	28	2,984	62,194	-	65,178	83,507
Total expenditure		<u>136,445</u>	<u>6,782,700</u>	<u>393,617</u>	<u>7,312,762</u>	<u>3,014,733</u>
Net income/(expenditure)		<u>1,059,921</u>	<u>(2,119,719)</u>	<u>12,140,661</u>	<u>11,080,863</u>	<u>6,776,793</u>
Transfers between funds	17	-	(3,914)	3,914	-	-
Net movement in funds before other recognised gains/(losses)		<u>1,059,921</u>	<u>(2,123,633)</u>	<u>12,144,575</u>	<u>11,080,863</u>	<u>6,776,793</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(179,000)	-	(179,000)	(274,000)
Net movement in funds		<u><u>1,059,921</u></u>	<u><u>(2,302,633)</u></u>	<u><u>12,144,575</u></u>	<u><u>10,901,863</u></u>	<u><u>6,502,793</u></u>

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds Period ended 31 August 2019
	31 August 2020	31 August 2020	31 August 2020	31 August 2020	31 August 2019
Note	£	£	£	£	£
Reconciliation of funds:					
Total funds brought forward	118,324	(776,130)	7,160,599	6,502,793	-
Net movement in funds	1,059,921	(2,302,633)	12,144,575	10,901,863	6,502,793
Total funds carried forward	<u><u>1,178,245</u></u>	<u><u>(3,078,763)</u></u>	<u><u>19,305,174</u></u>	<u><u>17,404,656</u></u>	<u><u>6,502,793</u></u>

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

The notes on pages 30 to 64 form part of these financial statements.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 11683082

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	19,158,421	7,127,659
		19,158,421	7,127,659
Current assets			
Debtors	15	666,969	131,799
Cash at bank and in hand		1,836,908	453,098
		2,503,877	584,897
Creditors: amounts falling due within one year	16	(593,642)	(206,763)
		1,910,235	378,134
Net current assets			378,134
Total assets less current liabilities		21,068,656	7,505,793
Defined benefit pension scheme liability	24	(3,664,000)	(1,003,000)
Total net assets		17,404,656	6,502,793
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	19,305,174	7,160,599
Restricted income funds	17	585,237	226,870
		19,890,411	7,387,469
Restricted funds excluding pension reserve	17	19,890,411	7,387,469
Pension reserve	17	(3,664,000)	(1,003,000)
		16,226,411	6,384,469
Total restricted funds			6,384,469
Unrestricted income funds		1,178,245	118,324
Total funds		17,404,656	6,502,793

The financial statements on pages 26 to 64 were approved by the Trustees, and authorised for issue on 14 December 2020 and are signed on their behalf, by:

I H K Scott
Chair of Trustees

The notes on pages 30 to 64 form part of these financial statements.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	31 August 2020 £	Period ended 31 August 2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	551,923	72,725
Cash flows from investing activities	20	831,887	380,373
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,383,810	453,098
Cash and cash equivalents at the beginning of the year		453,098	-
Cash and cash equivalents at the end of the year	21, 22	<hr/> <u>1,836,908</u>	<hr/> <u>453,098</u>

The notes on pages 30 to 64 form part of these financial statements

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Children's Endeavour Trust meets the definition of a public benefit entity under FRS 102.

The Children's Endeavour is a private company limited by guarantee incorporated in England and Wales under companies Act 2006. The registered office is Springfield Junior School, Kitchener Road, Ipswich, United Kingdom, IP1 4DT.

Due to the Trust incorporating on the 1st January 2019 these financial statements cover the 8 month period to the 31st August 2019 and there are no comparatives. The comparative figures relate to an 8 month period as the Trust only started operating from 1 January 2019.

The accounts have been prepared in pounds sterling and rounded to the nearest pound.

1.2 Going concern

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

During the year, the Academy Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy Trust were not able to continue as a going concern.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

The estimated useful lives are as follows:

Plant and machinery	- 5 years straight line
Computer equipment	- 3 years straight line
Leasehold Land	- 125 years straight line
Leasehold Buildings	- 50 years maximum in line with property valuations
Furniture and Fittings	- 5 years straight line

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

1.8 Debtors

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

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases are as follows:

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions (continued)

current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

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

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

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

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Suffolk County Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The valuation of the land and buildings on conversion is a material estimate in the financial statements. The amount is based on the valuation carried out by a third party independent valuer. Depreciation is a material estimate which is calculated based on the estimated useful economic life of the assets.

Critical areas of judgement:

No judgements were made in the preparation of these financial statements.

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds Period ended
	31 August 2020 £	31 August 2020 £	31 August 2020 £	31 August 2020 £	31 August 2019 £
Income on conversion	1,075,136	(2,216,000)	12,389,872	11,249,008	6,898,890
Donations	-	78,849	-	78,849	72,649
Capital grants	-	-	144,406	144,406	56,943
	-	78,849	144,406	223,255	129,592
	1,075,136	(2,137,151)	12,534,278	11,472,263	7,028,482
Total 2019	347,394	(609,351)	7,290,439	7,028,482	

In the period ended 31 August 2019, income on conversion was £6,898,890 of which £347,394 was unrestricted and £6,551,496 was restricted or restricted fixed assets.

Other donations of £72,649 and capital grants of £56,943 were restricted or restricted fixed assets.

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy trust's provision of education

	Unrestricted funds	Restricted funds	Total funds	Total funds
	31 August 2020 £	31 August 2020 £	31 August 2020 £	Period ended 31 August 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,475,048	5,475,048	2,222,416
Other DfE/ESFA grants	-	860,220	860,220	160,322
Start up grant	-	125,000	125,000	50,000
	-	6,460,268	6,460,268	2,432,738
Other government grants				
Local authority grants	-	267,995	267,995	152,921
	-	267,995	267,995	152,921
Exceptional government funding				
Coronavirus exceptional support	-	4,171	4,171	-
	-	4,171	4,171	-
Other income				
Catering income	51,399	-	51,399	51,720
	51,399	-	51,399	51,720
	51,399	6,732,434	6,783,833	2,637,379
Total 2019	51,720	2,585,659	2,637,379	

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds	Total funds	Total funds Period ended
	31 August 2020 £	31 August 2020 £	31 August 2019 £
Club income	5,437	5,437	4,450
Lettings income	1,989	1,989	3,541
Music services income	3,351	3,351	2,121
Other income	48,440	48,440	23,090
Sale of other goods	5,412	5,412	170
Sale of uniforms	2,587	2,587	1,796
Consultancy services	2,105	2,105	3,298
	<u>69,321</u>	<u>69,321</u>	<u>38,466</u>
Total 2019	<u>38,466</u>	<u>38,466</u>	

6. Investment income

	Unrestricted funds	Total funds	Total funds Period ended
	31 August 2020 £	31 August 2020 £	31 August 2019 £
Bank interest	510	510	139
	<u>139</u>	<u>139</u>	
Total 2019	<u>139</u>	<u>139</u>	

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	31 August	31 August	31 August	31 August	Period ended
	2020	2020	2020	2020	31 August
	£	£	£	£	2019
					£
Provision of Education:					
Direct costs	5,124,747	-	231,356	5,356,103	2,200,781
Allocated support costs	571,921	63,427	1,256,133	1,891,481	730,445
Teaching school	50,117	-	15,061	65,178	83,507
	<u>5,746,785</u>	<u>63,427</u>	<u>1,502,550</u>	<u>7,312,762</u>	<u>3,014,733</u>
	<u>2,304,273</u>	<u>208,939</u>	<u>501,521</u>	<u>3,014,733</u>	
Total 2019					

In the period ending 31 August 2019, direct expenditure consisted of £2,048,174 staff costs and £152,607 other costs.

Support expenditure consisted of £198,915 staff costs, £208,939 premises costs, and £322,591 other costs.

The teaching school expenditure consisted of £57,184 staff costs and £26,323 other costs.

In 2020, of the total expenditure, £136,455 (2019: £224,935) was to unrestricted funds, £6,782,912 (2019: £2,659,958) was to restricted funds and £393,617 (2019: £129,840) was to restricted fixed asset funds.

8. Charitable Activities

	2020	2019
	£	£
Direct costs - educational operations	5,356,103	2,200,781
Support costs - educational operations	1,891,481	730,445
	<u>7,247,584</u>	<u>2,931,226</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Analysis of support costs

	2020 £	2019 £
Support staff costs	571,923	198,915
Depreciation	393,619	129,840
Technology costs	94,939	31,793
Premises cost	63,427	134,224
Legal costs - on conversion	39,691	4,845
Legal costs - other	583	-
Other support costs	707,789	214,868
Governance costs	19,510	15,960
	<u>1,891,481</u>	<u>730,445</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	4,377	-
Depreciation of tangible fixed assets	393,619	129,840
Fees paid to auditors for:		
- audit	11,665	7,100
- assurance services other than audit	4,330	1,740
- other services	3,515	4,124
	<u>397,496</u>	<u>142,804</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	31 August 2020 £	Period ended 31 August 2019 £
Wages and salaries	4,158,121	1,788,693
Social security costs	348,443	143,938
Pension costs	1,212,938	371,642
	<u>5,719,502</u>	<u>2,304,273</u>
Agency staff costs	2,582	-
Staff restructuring costs	24,701	-
	<u>5,746,785</u>	<u>2,304,273</u>

Staff restructuring costs comprise:

	31 August 2020 £	Period ended 31 August 2019 £
Redundancy payments	24,701	-
	<u>24,701</u>	<u>-</u>

b. Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2020 No.	Period ended 31 August 2019 No.
Teaching	76	55
Management	12	7
Administration and support	140	94
	<u>228</u>	<u>156</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Higher paid staff

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

	31 August 2020 No.	Period ended 31 August 2019 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	2	-
	2	-

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £121,031 (2019 £183,465). This includes £9,951 (2019: £16,442) for employer national insurance and £22,137 (2019: £25,292) for employer pension costs.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Central services

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

- Audit
- Finance software
- Wellbeing service
- Governor subscriptions
- Governor meeting clerking
- Teacher pensions
- HR
- Payroll
- Legal services
- CEO/CFO costs
- Occupational health services

The academy trust charges for these services on the following basis:

The trust charged 2.5% of GAG for the months September 2019 to March 2020, the trust then charged 3.5% of GAG for the months April 2020 to August 2020.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Broke Hall Community Primary School	63,700	34,595
Springfield Junior School	39,199	21,281
Combs Ford Community Primary School	21,264	-
Abbot's Hall Community Primary School	14,194	-
Bosmere Community Primary School	9,548	-
Chilton Community Primary School	6,408	-
Freeman Community Primary School	9,198	-
Total	<u>163,511</u>	<u>55,876</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Long-term leasehold land and buildings £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	6,883,317	55,950	233,823	84,409	7,257,499
Additions	-	7,870	-	26,639	34,509
Asset on conversion	12,161,338	79,313	111,459	37,762	12,389,872
At 31 August 2020	<u>19,044,655</u>	<u>143,133</u>	<u>345,282</u>	<u>148,810</u>	<u>19,681,880</u>
Depreciation					
At 1 September 2019	74,715	7,460	31,177	16,488	129,840
Charge for the year	297,121	15,462	49,153	31,883	393,619
At 31 August 2020	<u>371,836</u>	<u>22,922</u>	<u>80,330</u>	<u>48,371</u>	<u>523,459</u>
Net book value					
At 31 August 2020	<u><u>18,672,819</u></u>	<u><u>120,211</u></u>	<u><u>264,952</u></u>	<u><u>100,439</u></u>	<u><u>19,158,421</u></u>
At 31 August 2019	<u><u>6,808,602</u></u>	<u><u>48,490</u></u>	<u><u>202,646</u></u>	<u><u>67,921</u></u>	<u><u>7,127,659</u></u>

The leasehold property included land totalling £6,637,595 (2019: £2,052,815) at the year end.

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,199	11,262
Other debtors	20,896	507
Prepayments and accrued income	601,219	88,126
VAT repayable	37,655	31,904
	<u>666,969</u>	<u>131,799</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	84,298	13,771
Other taxation and social security	132,576	48,164
Other creditors	187,061	59,543
Accruals and deferred income	189,707	85,285
	593,642	206,763
	593,642	206,763
	2020 £	2019 £
Deferred income at 1 September 2019	69,762	-
Resources deferred during the year	161,709	69,762
Amounts released from previous periods	(69,762)	-
	161,709	69,762
	161,709	69,762

Deferred income related to universal infant free school meal grant income.

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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	118,324	1,196,366	(136,445)	-	-	1,178,245
Restricted general funds						
General Annual Grant	128,388	5,475,048	(5,124,342)	(3,914)	-	475,180
Other DfE/ESFA Grants	-	511,043	(511,043)	-	-	-
Pupil Premium	-	428,021	(428,021)	-	-	-
UIFSM	-	160,562	(158,010)	-	-	2,552
Local Authority	-	157,760	(157,760)	-	-	-
Educational Visits	-	60,874	(60,649)	-	-	225
Other Restricted Funds	469	17,975	(11,697)	-	-	6,747
Teaching School	98,013	67,698	(65,178)	-	-	100,533
Pension Reserve	(1,003,000)	(2,216,000)	(266,000)	-	(179,000)	(3,664,000)
	<u>(776,130)</u>	<u>4,662,981</u>	<u>(6,782,700)</u>	<u>(3,914)</u>	<u>(179,000)</u>	<u>(3,078,763)</u>
Restricted fixed asset funds						
General Restricted Fixed Asset Fund	7,127,659	12,389,872	(393,200)	30,595	-	19,154,926
Capital assets from GAG	-	-	(417)	3,914	-	3,497
DfE/ESFA Grants	32,940	144,406	-	(30,595)	-	146,751
	<u>7,160,599</u>	<u>12,534,278</u>	<u>(393,617)</u>	<u>3,914</u>	<u>-</u>	<u>19,305,174</u>
Total Restricted funds	<u>6,384,469</u>	<u>17,197,259</u>	<u>(7,176,317)</u>	<u>-</u>	<u>(179,000)</u>	<u>16,226,411</u>
Total funds	<u><u>6,502,793</u></u>	<u><u>18,393,625</u></u>	<u><u>(7,312,762)</u></u>	<u><u>-</u></u>	<u><u>(179,000)</u></u>	<u><u>17,404,656</u></u>

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17. Statement of funds (continued)

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

General Annual Grant

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

UFSM

This represents funding to provide free school meals for all students in key stage 1.

Other DfE/ESFA grants

This represents other grants from the ESFA or DfE towards the provision of education.

Local authority funds

This represents other funding received from the local authority bodies towards a specific purpose.

Educational Visits

These are funds donated to the trust for the purpose of providing educational trips for students to attend throughout the school year.

Teaching School

These are funds that relate to running the teaching school. For a detailed analysis see note 28.

Other restricted

This represents funding received from other bodies towards a specific purpose.

Pension reserve

This fund represents the Trust's share of the deficit in the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 24 based on the period end actuarial valuation.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a purpose.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Broke Hall	220,853	150,351
Springfield Junior	269,179	70,309
Combs Ford Primary School	414,054	-
Abbot's Hall Community Primary School	295,131	-
Bosmere Community Primary School	147,568	-
Chilton Community Primary School	228,896	-
Freeman Community Primary School	82,477	-
The Children's Endeavour Trust	4,791	26,521
Teaching School	100,533	98,013
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,763,482	345,194
Restricted fixed asset fund	19,305,174	7,160,599
Pension reserve	(3,664,000)	(1,003,000)
	<hr/>	<hr/>
Total	17,404,656	6,502,793
	<hr/> <hr/>	<hr/> <hr/>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

Total cost analysis by academy

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 2020 £	Total 2019 £
Broke Hall	1,991,449	207,255	23,648	469,865	2,692,217	1,713,032
Springfield Junior	1,180,958	69,357	16,059	270,260	1,536,634	1,004,499
Combs Ford Primary School	560,538	68,439	3,630	95,608	728,215	-
Abbot's Hall Community Primary School	404,173	54,818	5,860	72,763	537,614	-
Bosmere Community Primary School	333,201	35,374	1,110	41,050	410,735	-
Chilton Community Primary School	191,201	28,896	3,301	23,603	247,001	-
Freeman Community Primary School	229,506	22,320	361	40,923	293,110	-
The Children's Endeavour Trust	233,719	85,464	135	89,123	408,441	36,855
Teaching School	31,668	18,449	2,984	12,077	65,178	83,507
Academy trust	5,156,413	590,372	57,088	1,115,272	6,919,145	2,837,893

THE CHILDREN'S ENDEAVOUR TRUST
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17. Statement of funds (continued)

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

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
Unrestricted funds	437,719	(224,935)	(94,460)	-	118,324
Restricted general funds					
General Annual Grant	2,222,416	(2,094,028)	-	-	128,388
Other DfE/ESFA Grants	31,762	(31,762)	-	-	-
Pupil Premium	274,083	(274,083)	-	-	-
UIFSM	36,398	(36,398)	-	-	-
Local Authority	21,000	(21,000)	-	-	-
Educational Visits	64,419	(64,419)	-	-	-
Other Restricted Funds	8,230	(7,761)	-	-	469
Teaching School	87,060	(83,507)	94,460	-	98,013
Pension Reserve	(682,000)	(47,000)	-	(274,000)	(1,003,000)
	<u>2,063,368</u>	<u>(2,659,958)</u>	<u>94,460</u>	<u>(274,000)</u>	<u>(776,130)</u>
Restricted fixed asset funds					
General Restricted Fixed Asset Fund	7,233,496	(129,840)	24,003	-	7,127,659
DfE/ESFA Grants	56,943	-	(24,003)	-	32,940
	<u>7,290,439</u>	<u>(129,840)</u>	<u>-</u>	<u>-</u>	<u>7,160,599</u>
Total Restricted funds	<u>9,353,807</u>	<u>(2,789,798)</u>	<u>94,460</u>	<u>(274,000)</u>	<u>6,384,469</u>
Total funds	<u><u>9,791,526</u></u>	<u><u>(3,014,733)</u></u>	<u><u>-</u></u>	<u><u>(274,000)</u></u>	<u><u>6,502,793</u></u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	19,158,421	19,158,421
Current assets	1,178,245	1,178,879	146,753	2,503,877
Creditors due within one year	-	(593,642)	-	(593,642)
Provisions for liabilities and charges	-	(3,664,000)	-	(3,664,000)
Total	1,178,245	(3,078,763)	19,305,174	17,404,656

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,127,659	7,127,659
Current assets	118,324	433,633	32,940	584,897
Creditors due within one year	-	(206,763)	-	(206,763)
Provisions for liabilities and charges	-	(1,003,000)	-	(1,003,000)
Total	118,324	(776,130)	7,160,599	6,502,793

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Reconciliation of net income to net cash flow from operating activities

	2020 £	Period ended 2019 £
Net income for the period (as per Statement of Financial Activities)	11,080,863	6,776,793
Adjustments for:		
Depreciation	393,619	129,840
Capital grants from DfE and other capital income	(144,406)	(56,943)
Interest receivable	(510)	(139)
Increase in debtors	(181,514)	(131,799)
Increase in creditors	386,879	206,763
Income on conversion	(11,249,008)	(6,898,790)
Pension adjustment	266,000	47,000
Net cash provided by operating activities	<u>551,923</u>	<u>72,725</u>

20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	510	139
Purchase of tangible fixed assets	(34,509)	(24,003)
Capital grants from DfE Group	27,487	56,943
Cash on conversion	838,399	347,294
Net cash provided by investing activities	<u>831,887</u>	<u>380,373</u>

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,836,908	453,098
Total cash and cash equivalents	<u>1,836,908</u>	<u>453,098</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	453,098	1,383,810	1,836,908
	<u>453,098</u>	<u>1,383,810</u>	<u>1,836,908</u>
	<u><u>453,098</u></u>	<u><u>1,383,810</u></u>	<u><u>1,836,908</u></u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust

On 1 April 2020 Combs Ford Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Children's Endeavour Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	3,517,188	3,517,188
Other tangible fixed assets	-	68,035	68,035
Current assets			
Cash	376,647	-	376,647
Net assets	<u>376,647</u>	<u>3,585,223</u>	<u>3,961,870</u>

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust (continued)

On 1 May 2020 Abbot's Hall Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Children's Endeavour Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	2,116,690	2,116,690
Other tangible fixed assets	-	45,414	45,414
Current assets			
Cash	240,890	-	240,890
Net assets	<u>240,890</u>	<u>2,162,104</u>	<u>2,402,994</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Conversion to an academy trust (continued)

On 1 May 2020 Bosmere Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Children's Endeavour Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	2,796,239	2,796,239
Other tangible fixed assets	-	26,701	26,701
Current assets			
Cash	158,605	-	158,605
Net assets	<u>158,605</u>	<u>2,822,940</u>	<u>2,981,545</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust (continued)

On 1 May 2020 Chilton Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Children's Endeavour Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	1,989,876	1,989,876
Other tangible fixed assets	-	37,135	37,135
Current assets			
Cash	220,862	-	220,862
Net assets	<u>220,862</u>	<u>2,027,011</u>	<u>2,247,873</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust (continued)

On 1 May 2020 Freeman Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Children's Endeavour Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	1,741,345	1,741,345
Other tangible fixed assets	-	51,249	51,249
Current assets			
Cash	78,132	-	78,132
Net assets	78,132	1,792,594	1,870,726

The combined LGPS pension deficit transferred on conversion for Abott's Hall Community Primary School, Bossmere Community Primary School, Chilton Community Primary School, Combs Ford Primary School and Freeman Community Primary School was £2,216,000.

24. Pension commitments

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

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

Contributions amounting to £178,540 were payable to the schemes at 31 August 2020 (2019 - £59,543) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £659,890 (2019 - £198,791).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £382,000 (2019 - £166,000), of which employer's contributions totalled £318,000 (2019 - £139,000) and employees' contributions totalled £ 64,000 (2019 - £27,000). The agreed contribution rates for future years are 20.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in this note, the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the 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.

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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Commutation of pensions to lump sums	25	25

The commutation rate of 25% relates to pre April 2008 service and increased to 63% for post April 2008 service.

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

	2020	2019
	Years	Years
Retiring today		
Males	21.9	21.3
Females	24.1	23.5
Retiring in 20 years		
Males	22.7	22.3
Females	25.6	24.9

As at the 31 August 2020 the Trust had a pension liability of £3,664,000 (2019: £1,003,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(202,956)	(62,860)
Discount rate -0.1%	202,956	62,860
Mortality assumption - 1 year increase	62,448	20,320
Mortality assumption - 1 year decrease	(62,448)	(20,320)
CPI rate +0.1%	187,344	54,988
CPI rate -0.1%	(187,344)	(54,988)

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	2020 £	Period ended 2019 £
Equities	2,443,780	768,500
Bonds	1,076,920	414,990
Property	372,780	338,140
Cash	248,520	15,370
Total market value of assets	4,142,000	1,537,000

The actual return on scheme assets was £119,000 (2019 - £143,000).

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

	2020 £	Period ended 2019 £
Current service cost	(550,000)	(163,000)
Past service cost	-	(10,000)
Interest income	45,000	25,000
Interest cost	(79,000)	(38,000)
Total amount recognised in the Statement of Financial Activities	(584,000)	(186,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,540,000	-
Conversion of academies	4,364,000	1,910,000
Current service cost	550,000	163,000
Interest cost	79,000	38,000
Employee contributions	64,000	27,000
Actuarial losses	253,000	392,000
Benefits paid	(44,000)	-
Past service costs	-	10,000
	<u>7,806,000</u>	<u>2,540,000</u>
At 31 August	<u><u>7,806,000</u></u>	<u><u>2,540,000</u></u>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	1,537,000	-
Conversion of academies	2,148,000	1,228,000
Interest income	45,000	25,000
Actuarial gains	74,000	118,000
Employer contributions	318,000	139,000
Employee contributions	64,000	27,000
Benefits paid	(44,000)	-
	<u>4,142,000</u>	<u>1,537,000</u>
At 31 August	<u><u>4,142,000</u></u>	<u><u>1,537,000</u></u>

25. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,266	-
Later than 1 year and not later than 5 years	7,167	-
	<u>13,433</u>	<u>-</u>
	<u><u>13,433</u></u>	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

27. Related party transactions

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

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

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

28. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
Income				
Direct income				
DfE/ESFA grants	-		1,500	
Local Authority grant	35,300		20,200	
	<u>35,300</u>		<u>21,700</u>	
Total direct income	35,300		21,700	
Other income				
Other income	32,398		65,360	
Total income		67,698		87,060
Expenditure				
Direct expenditure				
Direct staff costs	31,668		36,984	
Course fees	-		60	
Educational Supplies	2,984		-	
	<u>34,652</u>		<u>37,044</u>	
Total direct expenditure	34,652		37,044	
Other expenditure				
Support staff costs	18,449		22,566	
Other staff costs	197		613	
Office costs	1,296		1,827	
Other costs	2,100		1,143	
Professional services	8,484		20,314	
	<u>30,526</u>		<u>46,463</u>	
Total other expenditure	30,526		46,463	
Total expenditure		65,178		83,507
Transfers between funds excluding depreciation		-		94,460
		<u>2,520</u>		<u>98,013</u>
Surplus from all sources		2,520		98,013
Teaching school balances at 1 September 2019		98,013		-
		<u>100,533</u>		<u>98,013</u>
Teaching school balances at 31 August 2020		<u><u>100,533</u></u>		<u><u>98,013</u></u>