

THE CHILDREN'S ENDEAVOUR TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019



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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Collins M Dastbaz V Gillespie T Hunt M Millar
Trustees	B J Benneworth (appointed 16 November 2018) S T Coy (appointed 16 November 2018) I H K Scott, Chair of Trustees (appointed 16 November 2018) M L Smith (appointed 16 November 2018) D T White (appointed 16 November 2018) S Ayres (appointed 16 October 2019)
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)
Senior management team	D Jones, CEO E King, CFO M Lynch, Headteacher J Barr, Headteacher
Independent auditors	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

THE CHILDREN'S ENDEAVOUR TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2019

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 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates Broke Hall Community Primary School and Springfield Junior School Academies serving catchment areas in Ipswich. The Academies have a combined capacity of 977 and had a roll of 977 in the 2019 census.

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

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 insurance provides unlimited cover on any one claim and details of the costs are disclosed in Note 13 to the accounts.

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.

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The Chair of Trustees intends to meet 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 2019-20 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 Leadership Group (LG) 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.

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 all academy Headteachers and CEO.

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

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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.

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 2019

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 seek to deliver an inspiring curriculum enriched with exciting learning experiences and opportunities.

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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 will ensure that best practice is shared so that all pupils and schools benefit from excellence. We seek to establish a local family of academies by engaging with schools that share our educational vision and also 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	- 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	- Health and Safety duties will be fully compliant. - Safeguarding duties will be fully compliant. - Trustees and Governors will have timely effective training. - 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 (Eg Pay, Appraisal, and Capability) will be faithfully followed. - Succession Planning will be kept under consideration by LGBs and TB.
2	Teaching, Learning and Assessment	Specific areas of focus: Broke Hall: Reading & Pupil Premium Springfield Juniors: Reading - To develop consistent approaches to the teaching of key reading skills – vocabulary acquisition, reading comprehension and fluency. - To continue to develop the curricula focusing upon depth & breadth - To improve outcomes for pupils eligible for pupil premium.	- All pupils have three 30 minute book talk sessions per week to support the development of a wide range of comprehension skills and at least one session per week to explicitly develop vocabulary. - NFER assessments demonstrate increased progress in reading for all groups of pupils. - Pupils demonstrate increased knowledge of vocabulary orally or in writing. - Pupils meet minimum target set for engaged reading time on a regular basis. - Foundation subject planning to be reviewed to ensure that they are built upon prior learning and to check skills and knowledge included against NC objectives. - Pupil Premium Strategies to be reviewed using EEF Audit Tool.

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3	Behaviour, Safety and Welfare of Pupils and Staff	- 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. Specific areas of focus: Broke Hall: To ensure pupils, families and staff make healthy choices for their physical and mental well-being, including on-line safety. Springfield Juniors: To teach specific emotional intelligence sessions, and support relationship building to enhance recreational times in school.	- Trust Attendance Policy to be implemented. - Attendance data is reviewed every two weeks and resulting actions to be undertaken promptly. - An increase in the opportunities for parents to visit the school. - To engage parents with targeted activities relating to healthy choices (BH). - Frequency of behaviour and friendship issues at break times are reduced. - Emotional awareness is planned for and explicitly taught (SJ).
4	Outcomes for Pupils	- 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. - To ensure that national expectations for progress and attainment are met and exceeded, measured by summative data.	National expectations for progress and attainment will be met and exceeded, measured by summative data, including for vulnerable groups such as SEND and disadvantaged.
5	Professional Development and working with others	- To use CPD opportunities to focus on improving teachers' subject and pedagogical knowledge - To increase opportunities to work collaboratively to moderate work across year groups and school settings to further develop subject expectations	- Trust Subject Leader network meetings will take place focusing on curriculum coverage and assessment methods. - Research groups will be implemented (BH). - Monthly CPD sessions will take place to review foundation subject planning (SJ).
6	Operational Efficiency	- To harness and develop professional strengths within our schools and identify areas where expertise from one member of staff/school can be of benefit to the other. - To use resources efficiently and effectively to ensure sustainability - To implement robust quality assurance, risk management to ensure effective use of finances	- Half termly Leadership group meetings will identify opportunities to use staff across the schools to capitalise on expertise and avoid duplication of tasks. - Trust Subject Leader network meetings will take place. - Trust policies will be implemented with local appendices where necessary. - Strategic Business Plan will evidence approach to contacts/procurement and services. - Monthly Management Accounts will provide financial commentary.

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7	Growth and Development	• To seek to grow the trust by engaging with schools that share our educational vision • To collaborate effectively with the DfE Regional Schools Commissioner and the Local Authority.	• CEO will communicate with local headteachers, governing bodies and stakeholders on expansion ambitions of trust. • CEO will initiate collaboration with other trusts eg Appeals Panels, Trade Union Meetings. • CEO will attend CEO network meetings and liaise proactively with the Regional Schools Commissioner and the Local Authority.
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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.

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Strategic Report

Achievements and Performance

8 Months after conversion, the schools results were as follows, with 63% of the 35 data measures meeting or exceeding national averages (shaded below):

		Broke Hall	Springfield Juniors	National Average (2019)
EYFS Performance				
Good Level of Development		72%		72%
Key Stage 1 Performance				
At Expected	Reading	76%		75%
	Writing	76%		69%
	Maths	73%		76%
	Combined	62%		65%
Greater than Expected	Reading	24%		25%
	Writing	14%		15%
	Maths	27%		22%
	Combined	13%		11%
Key Stage 2 Performance				
At Expected	Reading	73%	83%	73%
	Writing	80%	90%	78%
	GPS	81%	94%	*78%
	Maths	82%	91%	79%
	Combined	65%	79%	65%
Greater than Expected	Reading	19%	21%	27%
	Writing	25%	18%	20%
	GPS	40%	55%	*34%
	Maths	19%	34%	27%
	Combined	7%	9%	11%
Progress	Reading	(1.95)	0.80	0
	Writing	(1.25)	1.00	0
	Maths	(0.79)	2.30	0

Note

*2018 data as 2019 not yet available

Of the measures where National averages were not met, only 3 of these were by more than 5%. These were greater depth reading at both schools (BH by 8% and SJ by 6%) and greater depth maths at Broke Hall (by 9%).

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.

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As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018/19 were 977 against a forecast of 977, both schools are full and have 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 2018/19 this was 80%. 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. All of the above KPI's were within the parameters set by the MGB.

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 3-11. 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 period ended 31 August 2019 the Trust received £2,892,636 of GAG and other funding plus £6,898,890 relating to the conversions of the two academies from the local authority. 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 period the Trust spent £3,014,733 on expenditure. The carry forward for 2018/19 is £226,870 restricted funding and £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 has adopted the following policies in the 8 months since January

- Reserves Policy
- Investment Policy
- Cash Handling policy
- Finance Policy which encompasses:-
- Scheme of Delegation
- Lettings Policy
- Pecuniary Interests

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £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.

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 Manager. 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

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£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 £118,324 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £118,324 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. Both schools within the trust are on course to meet this level by the end of August 20/21.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £345,194.

The cash balance of the Trust has been very healthy throughout the period, ending the period with a balance of £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.

Investment Policy

The trust is aware of the need to have an investment policy in place and therefore a draft policy is under consideration by the MGB and will be available for the 2019/20 year. The aim of this policy will be to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim will be to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the 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, statutory returns, etc. The Trustees continue to 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 student 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 have continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness.

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 been working with five Local Authority primary schools in the area who share the same principles and vision as the Trust.

The plan is for CET to transform into a Suffolk regional primary multi academy trust through the addition of these five Local Authority primary schools to the two founding Ipswich schools. The expanded trust would leverage the school improvement expertise and track record of Springfield Junior School, Broke Hall Primary School and Springfield Teaching Alliance to enable a family of schools that are very ambitious, to secure and sustain improved pupil outcomes and quality of provision.

Key to this future success is that the trust, as an organisation responsible for nearly 3,000 pupils, 400 staff and £12m of school funding, would be able to harness a depth of expertise and resource that each school is unable to access on their own. The Trust will use this expansion to reassess the structure and central functions.

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The expanded trust will have 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 will be overseen by the Board of Trustees, CEO and leadership group of Headteachers. The expertise and capacity to deliver the plan will come from a blend of the Teaching School Alliance, trust leaders with the appropriate track record and the use of suitably qualified external advisors. The trust would very much be delivering on its mission of 'Promoting Professional Excellence'.

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 policy is to ensure equal opportunities are afforded to all staff, students and stakeholders. Training and career development opportunities are available to all employees.

Disabled persons are afforded full and fair consideration in all recruitment procedures, and every effort is made to support employees if they become disabled whilst already in position.

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.

Equal Opportunities Policy

It is the Trust's policy to ensure 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.

Disabled Persons

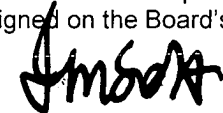
Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

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 the Board of Trustees on  and signed on the Board's behalf by:


Ian Scott
Chair of Trustees

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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.

The board of trustees has delegated the day-to-day responsibility to the chief executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 5 times in the 8 month period to 31st August 2019. The trust have met in excess of 6 times in 12 months looking at incorporation documents.

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

Trustee	Meetings attended	Out of a possible
B J Benneworth	4	5
S T Coy	3	5
I H K Scott, Chair of Trustees	5	5
M L Smith	2	5
D T White	5	5

Review of period

Members appointed five founding Trustees at the start of period. These Trustees remain in place and a further Trustee has been recently appointed. Over the course of the period the Trust has been working on expansion of the organisation, from two schools to eight. This has been a key focus and the CEO has overseen a process of due diligence which has culminated in the agreement of the Trust and of six Local Governing Bodies (from potential joiner schools) to submit applications, in tandem with a detailed Growth Plan, to the Regional Schools Commissioner for expansion. The board has undertaken a skills audit and this was used to inform the recruitment of a new Trustee, and also plan Trust training. The Board has oversight of monthly management accounts with commentary, which provide clarity and detail of the Trust's financial position. The Trust also receives academic data which is benchmarked against national averages so they can consider the performance of the two schools within the Trust. As part of the possible expansion due diligence process, the Trust has gathered detailed information about the number of staff (and grades) across the potential joiner schools and the contracts entered into. This information has been aggregated, as have the budgets of all potential joiner schools.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews

In June, the five Trustees completed skills audits using the National Governance Association Framework. The audits are 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 0-5, 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 dictated a Trust training session which was delivered by an excellent governance consultant. The training included 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 Spring of 2020. The final agenda item at Trust Board Meetings is now, 'Reflection on the Meeting.'

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

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),
- 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 period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
I H K Scott	1	1
D T White	0	1
B J Benneworth	1	1
M L Smith	1	1

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the chief executive 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 period by:

- Negotiating services for the two 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 two schools we have secured better value for money. The Trust has bought into a Finance System as two schools.
- 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 Trust Policies.

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 period 1 January 2019 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 January 2019 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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

GOVERNANCE STATEMENT (CONTINUED)

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

The board of trustees has considered the need for a specific internal audit function and is currently reviewing the quotes to decide who to appoint as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

During the 8 months the Academy has been operating they have used expertise from within the Trust board. They have also had a newly opened Academy visit from the ESFA in which they focused on the Trust's Financial set up and practices in place as well as policies and procedures.

The focus of the visits has centered around checking the following:

- Minutes and supporting papers for all meetings of the governing body and finance committee
- Terms of reference for all committees
- Organisational structure chart(s)
- Financial Regulations and Procedures Manual(s), and Scheme of Delegation (if separate)
- Other financial policy documents (e.g. treasury; fraud; whistle blowing; investments; risk management; asset acquisition and disposal)
- Business Continuity / Disaster Recovery Plan
- Latest Academy Funding Agreement
- Copy Memorandum of Association / Articles of Association
- Risk Register
- Insurance certificate
- Annual budget as approved by the Governing Body
- Longer term financial plan / forecast
- Management Accounts
- Declaration of Interests for staff and Governors

The Trust obliges Trustees to fill in a Record of Interests form annually (which covers pecuniary interests). At the start of each Board or Committee meeting, Trustees are asked if they have any pecuniary interests relating to any items on the agenda.

Once appointed the Internal Auditors will report three times a year to the Board of trustees, through the Finance & Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 **11 Dec 19** and signed on their behalf by:



I H K Scott
Chair of Trustees

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 2018.

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 2018.

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

D Jones
Accounting Officer
Date: 11 December 2019

A handwritten signature in black ink, appearing to read 'D Jones', with a stylized flourish at the end.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2019

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

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

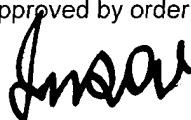
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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 Account

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

16 December 2019

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**

In accordance with the terms of our engagement letter dated 20th June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Children's Endeavour Trust during the period 1 January 2019 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Children's Endeavour Trust and the 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 January 2019 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)**

Approach

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

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

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

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

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 period 1 January 2019 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Reporting Account

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 16 December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2019**

		Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Restricted fixed asset funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
	Note				
Income from:					
Donations and capital grants:	3				
Income on conversion		347,394	(682,000)	7,233,496	6,898,890
Other donations and capital grants		-	72,649	56,943	129,592
Charitable activities	4	51,720	2,585,659	-	2,637,379
Teaching schools	27	-	87,060	-	87,060
Other trading activities	5	38,466	-	-	38,466
Investments	6	139	-	-	139
Total income		437,719	2,063,368	7,290,439	9,791,526
Expenditure on:					
Charitable activities	7	224,935	2,576,451	129,840	2,931,226
Teaching schools	27	-	83,507	-	83,507
Total expenditure		224,935	2,659,958	129,840	3,014,733
Net income/(expenditure)		212,784	(596,590)	7,160,599	6,776,793
Transfers between funds	18	(94,460)	94,460	-	-
Net movement in funds before other recognised gains/(losses)		118,324	(502,130)	7,160,599	6,776,793
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24	-	(274,000)	-	(274,000)
Net movement in funds		118,324	(776,130)	7,160,599	6,502,793
Reconciliation of funds:					
Net movement in funds		118,324	(776,130)	7,160,599	6,502,793
Total funds carried forward		118,324	(776,130)	7,160,599	6,502,793

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

The notes on pages 31 to 56 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 2019

	Note	2019 £
Fixed assets		
Tangible assets	14	7,127,659
		<u>7,127,659</u>
Current assets		
Debtors	15	131,799
Cash at bank and in hand		453,098
		<u>584,897</u>
Creditors: amounts falling due within one year	16	(206,763)
		<u>378,134</u>
Net current assets		<u>7,505,793</u>
Total assets less current liabilities		<u>7,505,793</u>
Net assets excluding pension liability		<u>7,505,793</u>
Defined benefit pension scheme liability	24	(1,003,000)
		<u>6,502,793</u>
Total net assets		<u><u>6,502,793</u></u>
Funds of the academy trust		
Restricted funds:		
Fixed asset funds	18	7,160,599
Restricted income funds	18	226,870
		<u>7,387,469</u>
Restricted funds excluding pension reserve	18	7,387,469
Pension reserve	18	(1,003,000)
		<u>6,384,469</u>
Total restricted funds	18	<u>6,384,469</u>
Unrestricted income funds	18	118,324
		<u>6,502,793</u>
Total funds		<u><u>6,502,793</u></u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:


I H K Scott
Chair of Trustees

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The notes on pages 31 to 56 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019

	Note	Period ended 31 August 2019 £
Cash flows from operating activities		
Net cash provided by operating activities	20	72,725
Cash flows from investing activities	21	380,373
Change in cash and cash equivalents in the period		453,098
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	22	<u>453,098</u>

The notes on pages 31 to 56 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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 2018 to 2019 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 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.

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 on a basis over its expected useful life, as follows:

The estimated useful lives are as follows:

Long-term leasehold property	- 125 years or the useful economic life on conversion.
Plant and machinery	- 5 years straight line
Computer equipment	- 3 years straight line
Leasehold Land	- 125 years straight line
Leasehold Property	- 50 years maximum in line with property valuations
Fixture 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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

THE CHILDREN'S ENDEAVOUR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 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.

1.14 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

3. Income from donations and capital grants

	Unrestricted funds	Restricted fixed assets and restricted funds	Total funds
	Period ended 31 August 2019 £	Period ended 31 August 2019 £	Period ended 31 August 2019 £
Donations			
Income on conversion	347,394	6,551,496	6,898,890
Other donations	-	72,649	72,649
Capital grants	-	56,943	56,943
	<u>347,394</u>	<u>6,681,088</u>	<u>7,028,482</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy trust's provision of education

	Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,222,416	2,222,416
Other DfE/ESFA grants	-	210,322	210,322
	-	2,432,738	2,432,738
Other government grants			
Local authority grants	-	28,134	28,134
Other government grants	-	124,787	124,787
Catering income	51,720	-	51,720
	51,720	2,585,659	2,637,379

5. Income from other trading activities

	Unrestricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Club income	4,450	4,450
Lettings income	3,541	3,541
Music services income	2,121	2,121
Other income	23,090	23,090
Sale of other goods	170	170
Sale of uniforms	1,796	1,796
Consultancy services	3,298	3,298
	38,466	38,466

THE CHILDREN'S ENDEAVOUR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

6. Investment income

	Unrestricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Bank interest	139	139

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs Period ended 31 August 2019 £	Premises Period ended 31 August 2019 £	Other Period ended 31 August 2019 £	Total Period ended 31 August 2019 £
Provision of Education:				
Direct costs	2,048,174	-	152,607	2,200,781
Allocated support costs	198,915	208,939	322,591	730,445
Teaching school	57,184	-	26,323	83,507
	<u>2,304,273</u>	<u>208,939</u>	<u>501,521</u>	<u>3,014,733</u>

8. Analysis of expenditure by activities

	Activities undertaken directly Period ended 31 August 2019 £	Support costs Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Provision of Education	<u>2,200,781</u>	<u>730,445</u>	<u>2,931,226</u>

Analysis of support costs

	2019 £
Support staff costs	198,915
Depreciation	129,840
Technology costs	31,793
Premises cost	134,224
Other support costs	219,713
Governance costs	15,960
	<u>730,445</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2019 £
Depreciation of tangible fixed assets	129,840
Fees paid to auditors for:	
- audit	7,100
- assurance services other than audit	1,740
- other services	4,124
	<u>12,964</u>

10. Staff costs

a. Staff costs

Staff costs during the period were as follows:

	Period ended 31 August 2019 £
Wages and salaries	1,788,693
Social security costs	143,938
Pension costs	371,642
	<u>2,304,273</u>

b. Staff numbers

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

	Period ended No. 2019 No.
Teaching	55
Management	7
Administration and support	94
	<u>156</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the financial period.

d. Key management personnel

The key management personnel of the academy trust comprises of the senior management team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £183,465. This includes £16,442 for national insurance and £25,292 of pension costs.

11. Central services

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

- 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 charges 2.5% of GAG.

The actual amounts charged during the period were as follows:

	2019 £
Broke Hall Community Primary School	34,595
Springfield Junior School	21,281
Total	<u><u>55,876</u></u>

12. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period, no retirement benefits were accruing to Trustees in respect of defined benefit pension schemes.

During the period ended 31 August 2019, no Trustee expenses have been incurred.

THE CHILDREN'S ENDEAVOUR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

13. 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.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
Additions	8,313	-	-	15,690	24,003
Assets on conversion	6,875,004	55,950	233,823	68,719	7,233,496
At 31 August 2019	<u>6,883,317</u>	<u>55,950</u>	<u>233,823</u>	<u>84,409</u>	<u>7,257,499</u>
Depreciation					
Charge for the period	74,715	7,460	31,177	16,488	129,840
At 31 August 2019	<u>74,715</u>	<u>7,460</u>	<u>31,177</u>	<u>16,488</u>	<u>129,840</u>
Net book value					
At 31 August 2019	<u>6,808,602</u>	<u>48,490</u>	<u>202,646</u>	<u>67,921</u>	<u>7,127,659</u>

The leasehold property included land totalling £2,052,815 at the period end.

15. Debtors

	2019 £
Due within one year	
Trade debtors	11,262
Other debtors	507
Prepayments and accrued income	88,126
VAT repayable	31,904
	<u>131,799</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	13,771
Other taxation and social security	48,164
Other creditors	59,543
Accruals and deferred income	85,285
	<u>206,763</u>
	2019 £
Deferred income at 1 January 2019	-
Resources deferred during the period	69,762
	<u>69,762</u>

Deferred income included universal infant free school meal grant income and trip income.

17. Financial instruments

	2019 £
Financial assets	
Financial assets measured at amortised cost.	<u>502,758</u>
	2019 £
Financial liabilities	
Financial liabilities measured at amortised cost.	<u>88,837</u>

Financial assets measured at amortised cost comprise of trade debtors, accrued income, other debtors and cash balances.

Financial liabilities measured at amortised cost comprises of trade creditors, amounts due to pension schemes and accruals.

THE CHILDREN'S ENDEAVOUR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

18. Statement of funds

	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 (note 29)	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>9,791,526</u>	<u>(3,014,733)</u>	<u>-</u>	<u>(274,000)</u>	<u>6,502,793</u>

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 2019.

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.

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

UIFSM

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 29.

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 26 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.

Transfers between funds

The transfers from unrestricted funds relate to teaching school funds on conversion.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £
Broke Hall	150,351
Springfield Junior	70,309
The Children's Endeavour Trust	26,521
Teaching School	98,013
Total before fixed asset funds and pension reserve	345,194
Restricted fixed asset fund	7,160,599
Pension reserve	(1,003,000)
Total	6,502,793

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Broke Hall	1,261,022	133,448	66,980	251,582	1,713,032
Springfield Junior	760,415	55,838	80,493	107,753	1,004,499
Teaching School	36,984	22,566	60	23,897	83,507
The Children's Endeavour Trust	-	-	7,500	29,355	36,855
Academy trust	2,058,421	211,852	155,033	412,587	2,837,893

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current 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

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

	Period ended 2019 £
Net income for the period (as per Statement of Financial Activities)	6,776,793
Adjustments for:	
Depreciation	129,840
Capital grants from DfE and other capital income	(56,943)
Interest receivable	(139)
Increase in debtors	(131,799)
Increase in creditors	206,763
Income on conversion	(6,898,790)
Pension adjustment	47,000
Net cash provided by operating activities	72,725

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NOTES TO THE FINANCIAL STATEMENTS
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21. Cash flows from investing activities

	2019 £
Dividends, interest and rents from investments	139
Purchase of tangible fixed assets	(24,003)
Capital grants from DfE Group	56,943
Cash on conversion	347,294
Net cash provided by investing activities	380,373

22. Analysis of cash and cash equivalents

	2019 £
Cash in hand	453,098
Total cash and cash equivalents	453,098

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust

On 1 January 2019 Springfield Junior 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 funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	2,142,919	2,142,919
Other tangible fixed assets	-	-	62,105	62,105
Current assets				
Cash - representing budget surplus on LA funds	120,197	-	-	120,197
Pension - pension scheme assets less liabilities	-	(189,000)	-	(189,000)
Net assets/(liabilities)	<u>120,197</u>	<u>(189,000)</u>	<u>2,205,024</u>	<u>2,136,221</u>

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

On 1 January 2019 Broke 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 funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	4,732,085	4,732,085
Other tangible fixed assets	-	-	296,387	296,387
Current assets				
Cash - representing budget surplus on LA funds	227,097	-	-	227,097
Pension - pension scheme assets less liabilities	-	(493,000)	-	(493,000)
Net assets/(liabilities)	<u>227,097</u>	<u>(493,000)</u>	<u>5,028,472</u>	<u>4,762,569</u>

The total cash received on conversion of the two academies totalled £347,294.

24. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £59,543 were payable to the schemes at 31 August 2019 and are included within creditors.

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24. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £198,791.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £166,000, of which employer's contributions totalled £139,000 and employees' contributions totalled £27,000.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2019 %
Rate of increase in salaries	2.6
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	1.9
Commutation of pensions to lump sums	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:

	2019 Years
<i>Retiring today</i>	
Males	21.3
Females	23.5
<i>Retiring in 20 years</i>	
Males	22.3
Females	24.9

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

Sensitivity analysis

	2019 £
Discount rate +0.1%	(62,860)
Discount rate -0.1%	62,860
Mortality assumption - 1 year increase	20,320
Mortality assumption - 1 year decrease	(20,320)
CPI rate +0.1%	54,988
CPI rate -0.1%	(54,988)

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

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

	At 31 August 2019 £
Equities	768,500
Bonds	414,990
Property	338,140
Cash	15,370
Total market value of assets	<u><u>1,537,000</u></u>

The actual return on scheme assets was £143,000.

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

	Period ended 2019 £
Current service cost	(163,000)
Past service cost	(10,000)
Interest income	25,000
Interest cost	(38,000)
Total amount recognised in the Statement of Financial Activities	<u><u>(186,000)</u></u>

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

	2019 £
Conversion of academies	1,910,000
Current service cost	163,000
Interest cost	38,000
Employee contributions	27,000
Actuarial losses	392,000
Past service costs	10,000
At 31 August	<u><u>2,540,000</u></u>

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

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

	2019 £
Conversion of academies	1,228,000
Interest income	25,000
Actuarial gains	118,000
Employer contributions	139,000
Employee contributions	27,000
At 31 August	<u>1,537,000</u>

25. 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.

26. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. No related party transactions that required disclosure took place during the period.

THE CHILDREN'S ENDEAVOUR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

27. Teaching school trading account

	2019 £	2019 £
Income		
Direct income		
DfE/ESFA grants	1,500	
Local Authority grant	20,200	
Total direct income	<u>21,700</u>	
Other income		
Other income	65,360	
Total income		87,060
Expenditure		
Direct expenditure		
Direct staff costs	36,984	
Course fees	60	
Total direct expenditure	<u>37,044</u>	
Other expenditure		
Support staff costs	22,566	
Other staff costs	613	
Office costs	10,013	
Other costs	1,143	
Professional services	12,128	
Total other expenditure	<u>46,463</u>	
Total expenditure		83,507
Transfers between funds excluding depreciation		94,460
Surplus from all sources		<u>98,013</u>
Teaching school balances at 31 August 2019		<u><u>98,013</u></u>