

Company Registration Number: 08579939 (England & Wales)

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Annual Report and Financial Statements**

**For the year ended 31 August 2017**

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

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**Reference and Administrative Details**  
For the year ended 31 August 2017

<b>Members</b>	Philip Barlow Rod Lane Susan Sings Anthony Welch
<b>Trustees</b>	Rowland Costin, Chair <sup>1</sup> Bruce Tuxford, Vice Chair Jane Bass <sup>1</sup> Claire Brazier Simon Webb (appointed 1 September 2017) Don Burton <sup>1</sup> Simon Carter <sup>1</sup> Nick Redfern <sup>1</sup> Susan Sings <sup>1</sup>
	<sup>1</sup> Member of the Audit, Finance and Personnel Committee
<b>Company registered number</b>	08579939
<b>Company name</b>	Connected Learning
<b>Principal and registered office</b>	Powers Hall Academy Spa Road Witham Essex CM8 1NA
<b>Company secretary</b>	Claire Brazier
<b>Senior management team</b>	Jane Bass, Executive Headteacher Jane Bass, Powers Hall Academy Head of School Karen Wallace, Icen Academy Head Head of School Louise Venables, Cherry Tree Primary School Head of School Sarah Stevenson, Templars Academy Head of School Claire Brazier, Director of Finance and Administration
<b>Independent auditors</b>	Williams Giles Limited Statutory Auditors Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH

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**Reference and Administrative Details**  
**For the year ended 31 August 2017**

**Advisers (continued)**

**Bankers**

Lloyds Bank  
77-81 High Street  
Chelmsford  
Essex  
CM8 1DU

**Solicitors**

Brait Ltd  
67 Lapins Lane  
Kingshill  
Kent  
ME19 4LE

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**Trustees' Report**  
**For the year ended 31 August 2017**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 4 primary academies in Essex. Its academies have a combined pupil capacity of 1,272 and had a roll of 1,073 in the school census in May 2017.

**Structure, governance and management**

**a. Constitution**

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

The trustees of Connected Learning Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Connected Learning Ltd.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Method of recruitment and appointment or election of Trustees**

Recruitment of Trustees is from members of the local community and the Governing bodies of academies drawing on known areas of expertise appropriate to the needs of the Trust. Trustees are appointed by the Members subject to the Memorandum and Articles of Association and are subject to retirement after four years. They are eligible for re-appointment at the meeting at which they retire. Potential Trustees submit a CV for their approval and are interviewed by Members prior to appointment.

**d. Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new trustees depends upon their existing experience. The training offered is on charity, education, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documentation that they will need to undertake their role as trustees. All Trustees sign to confirm that they will uphold the commitments of the Nolan Principles of public service.

**e. Pay policy for key management personnel**

Connected Learning Multi Academy Trust Board of Trustees agreed at its inception to uphold the Teachers' Pay and Conditions. The Lead Head Teacher/CEO has an annual performance management review with the Chair of Trustees, the Chair of the Trust's Audit Finance and Personnel Committee and an external education expert. This group then makes recommendation to the Trust Pay Committee. The Head Teachers of individual academies within the Trust have a performance management review with the Chair of the Trust's Audit, Finance and Personnel Committee, the Chair of the Local Governing Body and an external education expert. This group then makes recommendation to the Trust Pay Committee. The Trust Pay Committee considers these recommendations and also receives and considers the pay proposals for all teachers (anonymised) within the constituent academies to ensure equity of treatment for teaching staff across the Trust. All Trustees are unpaid

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

volunteers.

Progress and Attainment of all children in the MAT is supported by demanding Performance Management requirements

A teacher will be eligible for annual performance pay progression where they:

- 1) have been assessed as meeting all of the teaching standards, throughout the assessment period;
- 2) have had their teaching assessed as at least good overall during the assessment period;
  - 2a) Upper Pay Range teachers will be expected to demonstrate increasing levels of outstanding teaching overall
  - 2b) Lead Practitioners will be expected to demonstrate outstanding teaching overall
- 3) have been assessed as meeting the requirements of their job description/job role;
- 4) meet their individual performance management objectives; consideration will be given where factors beyond the teacher's control have impacted on their ability to meet objectives;
- 5) have demonstrated a personal responsibility for identifying and meeting their CPD needs.

The **compulsory** evidence which will be considered in assessing performance includes the following:

- a) pupil progress data: (A process of moderation will be undertaken)
- b) quality of teaching against the Teaching Standards, including observed practice:

Observations 3 per year

**Outstanding school** - all 3 good or outstanding

**Good school** - all 3 good

**Requires improvement school** - 2 out of 3 must be good. If an observation requires improvement, the observation will be repeated once.

**Serious weakness school** - 2 out of 3 must be good. If an observation requires improvement, the observation will be repeated once.

Other evidence to be considered will be:

- b) self-assessment;
- c) professional dialogue;
- d) received feedback;
- e) performance management statements;
- f) CPD records.

And in the case of Upper Pay Range teacher and Lead Practitioners, evidence of their contribution beyond their own classroom and their impact on the wider school.

Where a teacher has been absent for some or all of the assessment period, an assessment will be based on performance during any periods of attendance and/or prior performance and criteria above applied.

SATs results

#### **f. Organisational structure**

The management structure consists of the Members of the Trust, the Board of Trustees and the Local Governing Bodies of the Academies within the Trust, the Lead Head Teacher and the Managers and Management Teams of the individual Academies within the Trust. The structure is based on devolved responsibility that encourages appropriate decision making at all levels. The Local Governing Bodies, the Audit,

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

Finance & Personnel, and the Pay Committees all report to the Board of Trustees

The Local Governing Bodies are responsible for setting the general policy within the overall Connected Learning Multi Academy Trust policy framework, adopting an annual School Improvement Plan and budget and making operational decisions about the running of the individual academies, capital expenditure within approved limits and staff appointments.

The Senior Managers are the Lead Head Teacher, the Head Teachers of the Academies within the Trust, their Deputies and Senior Leaders and their Finance Managers. These managers control their Academy at an executive level, implementing the policies set out by the Board of Trustees and the Local Governing Bodies and reporting back to them. They are responsible for the authorisation of spending within agreed limits and the appointment of staff. Interview panels for posts within the Management Team always include a Trustee and/or a Governor. Some spending control is devolved to members of the middle management team within approved limits.

**g. Connected organisations, including related party relationships**

The New Essex Teaching School Network based at Powers Hall Academy, which consists of links with a range of other local educational establishments. There are multiple schools within the network as well as the HE provider, Canterbury Christ Church University, the Thames SCITT Consortium and Essex County Council.

**h. Trustees' indemnities**

Trustee and Trust Fund Indemnity Policy from 1st September 2016 to 31st August 2017 provided by Zurich Municipal with an indemnity limit of £5,000,000 and Indemnity Pollution Defence Costs limit of £500,000.

**Strategic report**

**Objectives and Activities**

**a. Objects and aims**

The principal object and activity of the Trust is to provide education for pupils of differing abilities between the ages of 2 to 19, providing a broad based and balanced curriculum and with an emphasis on literacy and numeracy.

The aims of the MAT are:-

To provide an autonomous school-led school improvement system.

To develop an outstanding leadership team drawn from the constituent parts of the Multi Academy Trust.

Looking forward to 2017/ 2018, it is seen as a consolidation year and the Trust will not grow in terms of schools unless an exceptional opportunity presents itself for a good or outstanding school. Outside of this going forwards, it is still our aspiration to be a community of a community of 10 or more academies with a maximum of 5 of those being requires improvement, serious weaknesses or special measures.

To aim for a ratio of 3 outstanding or good academies to 2 requires improvement, serious weaknesses or special measures academies, but at a minimum to have a ratio of 1:1.

To adopt sibling schools of those already within the MAT as a priority should they become available.

For each requires improvements, serious weaknesses or special measures academies to have a designated leadership team from the Multi Academy Trust that will have responsibility and accountability for school improvement.

For Connected Learning to continue to work closely and positively with the Local Authority to the benefit of academies and maintained schools in Essex.

For future growth to come from good or outstanding academies becoming partners in the Trust

To ensure continuous attention to the need for effective succession management across the Multi Academy Trust.

To develop the Multi Academy Trust premises to ensure their fitness for purpose.

In return, the Multi Academy Trust will offer to its constituent parts the following:-

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

- Career pathways, promotion and research opportunities
- Continuous professional development
- Staff recruitment and retention
- Staff mobility
- Education adviser services
- Innovative technological links
- Shared resources providing economies of scale
- Collaborative procurement
- Partner status for those academies designated good or outstanding
- No costs of an executive team, as is the case with other Trusts
- Continuous review of the Board of Trustees' membership to ensure equity amongst the Trust's Academies.

The Vision is:-

- Collaborative, meaningful partnerships
- Outstanding leadership
- Nurturing Environments where children feel safe and feel to learn
- Networks, forging links across the communities
- Equality of opportunities in inclusive schools
- Culture of continuous professional development for all members, trustees, governors and staff
- Tolerance and respect for everyone
- Effective teaching and learning
- Dedicated professionalism
- Life skills to prepare pupils for the future
- Every Child Matters
- Aspirational, active learners, enjoying and achieving
- Resilience, Reciprocity, Reflectiveness, Resourcefulness, Research
- Negotiated behaviour improvement, respecting all
- Interacting with technology
- Next-steps learning
- Golden goals, gifts and talents

**b. Objectives, strategies and activities**

To develop leadership structures across all schools that will be strong and sustainable for 2017-2018

To ensure that all teachers/leaders are given a structured and rigorous programme of development building on starting points

To develop a Key Learning Model to provide a high quality learning and teaching of a curriculum that is challenging, engaging and, exciting

To raise the aspirations and expectations of all our pupils

To retain the judgement of outstanding by OFSTED where it exists

To strive to ensure that all schools within the MAT achieve at least a judgement of good by OFSTED

The activities:

To provide a range of curriculum materials, applications, on-line information and knowledge as routine components of the education process

To be a dynamic learning community where teachers are facilitators of learning

To encourage pupils to take responsibility for their own learning and support their peers, using a wide range of available resources through consistent behaviour policies.

To assist pupils in acquiring knowledge, skills and attitudes that will be essential to them for their future development

To help develop pupils to become regular, competent and discriminating users of technology

To provide high quality CPD for staff at all levels including opportunities to gain further and higher education qualifications

To ensure that performance management meets the needs of the organisation and the individual in an open and transparent manner

To work within the terms of the Teachers' Pay and Conditions document

To ensure that staff are employing a wide and innovative range of teaching and learning strategies, creating a

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

learning environment that addresses the needs and aspirations of all the pupils  
To provide staff with up to date and appropriate resources.

**c. Public benefit**

Each School is encouraged to retain its individuality and therefore there is a wide range of different relationship that have developed. This year the following links with local organisations and charities have been supported:-

Staff from the MAT work with other schools in Essex in support of the Local Education Authority's objective to get all schools in Essex to at least an OFSTED judgement of good

**Powers Hall Academy:-**

PHA is the lead School in the local MP's initiative to "Get Witham Reading", hosting a major annual event involving pupils and staff from Schools across the locality

**Charities Supported Academic Year 2016-2017**

Save the Children - Christmas Jumper Day  
Harvest Festival : Witham Food Bank  
Poppy Day  
Children in Need  
NSPCC - Times Table Event  
Red Nose Day [Comic Relief]  
Kidney Research.  
Poppy Day - November  
Keeping Safe Week with raffle and picture colouring fundraiser - December  
Rotakids Shoe Boxes - December  
Xmas Fayre - December

**Templars**

Assembly held on 23/3/17 with rep from Kidney Research UK then non-uniform day  
Assembly For east African playgrounds on 25/5/17

**Charities Supported Academic Year 2016-2017**

British Legion Poppy Appeal	11/11/16	£39.30 Raised
Children in Need	18/11/16	£304.63 Children came to school in pyjamas
Comic Relief	24/3/17	£238.65 Children wore red clothes/items to school
Kidney Research UK	31/3/17	£136.35 Raised
Save the Children	16/6/17	£72.20 Children built dens in school
East African Playgrounds	26/5/17	£259.66 Raised

**Cherry Tree.**

Mc Millan coffee morning Harvest Festival at Orchard Baptist Church  
Spooky Disco – 6pm Children in Need Day – Wear something spotty Christmas Fayre  
Choir to Lion Walk town centre – Carols  
World Book Day  
Comic Relief – non uniform day  
Summer Fayre

**Iceni**

**Charities Supported Academic Year 2016 - 2017:-**

Get Colchester Reading - March  
Red Nose Day - March  
Easter Fayre - April  
Rotakids Tea Party for Purple Pinkie - June  
Multi-cultural Food Festival - July  
Summer Fayre - July

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**Trustees' Report (continued)**  
For the year ended 31 August 2017

**Achievements and performance**

**a. Key performance indicators**

Most of the Academy's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2017 total expenditure of £6,506,825 was entirely covered by recurrent grant funding from the DFE together with other incoming resources and brought forward reserves. The excess of expenditure over income for the year (excluding fixed asset funds and pension costs) was £487,492

At 31st August the net book value of fixed assets was £8,530,936 and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS102.

**b. Review of activities**

**2017 SATs results**

For Icenii the KS2 results were very disappointing and it will be very important to look at the areas of the subjects where pupils were unsuccessful.

For KS1 Cherry Tree and Templars showed equally disappointing outcomes (including Phonics); the Lead Head will reassess the needs and staffing of these Key Stages to ensure better outcomes in 2016/7.

Of course this year's results were always going to be somewhat unpredictable as it was the second year of the new curriculum and scoring systems.

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	Cherry Tree	Iceni	Powers Hall	Templars	Essex	National
EYFS GLD	71%	N/A	N/A	71%	73%	70%
Exceeding	0%			0%	74%	71%
<b>Key Stage 1</b>						
Reading	79%	N/A	N/A	83%	78%	76%
Writing	64%	N/A	N/A	70%	70%	68%
Math's	79%	N/A	N/A	80%	76%	75%
RWM	64%	N/A	N/A	68%	63%	60%
Phonics Yr 1	72%	N/A	N/A	80%	81%	81%
<b>Key Stage 2</b>						
Reading Test	65%	67%	81%	80%	73%	71%
Writing ARE	74%	73%	91%	85%	78%	76%
GDS	0%	0%	31%	8%	18%	21%
Maths Test	70%	65%	87%	80%	76%	75%
RWM	61%	53%	76%	78%	63%	61%
GaPS Test	74%	73%	89%	78%	79%	77%

Progress data for the four schools was as follows:-

**Powers Hall**

As the Lead School in the Multi-Academy Trust, the trustees were pleased generally with the outcomes, in the subsequent year, Mathematics and its impact across KS2 would be a focus, as the score did not reflect the progress made in Reading and Writing, hence the Combined score was depressed.

Even so, these figures were amongst the top 20 schools' in the area covered by the Regional Schools Commissioner (Essex, Suffolk, Norfolk, Cambridge and North East London) who has asked the Lead Head Teacher to work across other schools to support progress elsewhere. The Trustees were delighted with this outcome.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

**Iceni**

These outcomes are extremely disappointing, as there is little consistency between the individual reporting subjects. This indicates inconsistency in pupil learning across the Key Stage and a lack of effective monitoring to show the impact of interventions for pupil outcomes.

**Cherry Tree**

There was an increase through KS1 in the pupil's attainment which was welcomed, although there would need to be a focus on phonic teaching to ensure the children have access to the whole curriculum as they move through the school. The KS2 outcomes were very disappointing, as poor teaching in Year 6 was not tackled robustly by neither the headteacher nor the governors. Additional resources both physical and actual will be a focus for the coming year.

**Templars**

Templars when given its inspection in November 2015 was judged to be Inadequate, since that time, through effective coaching and high level CPD the staff have effected a strong recovery for the school in KS2, although the Combined score did not match the individual subject outcomes, this emphasises that historically the teaching outcomes were for many years below expectation. KS1 outcomes were significantly below levels which we would expect, as a result a senior member of staff left and a new senior leadership structure is in place to secure much better outcomes for Year 3 (next academic year); plus a refocus on pupil learning from EYFS to Year 2, external support is in place to effect this.

**Quality of Teaching and Learning across the Trust**

These judgments are taken from the reviews that have been held in the schools. They are as the school is at present.

**Cherry Tree**

Teaching in KS2 is very variable ranging between below Inadequate to Good. KS1 is stronger. 71% Good or better 20% RI 10% Inadequate

**Iceni**

The majority of teaching is good, with some at RI and some towards Outstanding. Inconsistencies are still evident in the school.

**Powers Hall**

100% of teaching ranges between just good to outstanding.

**Templars**

Key Stage 2 10 teachers: Good 90%: I/RI 10% I

Key Stage 1 9 teachers Good 45%: RI/Good 22%: RI: 33%

Across the MAT the majority of teaching is on track to be good by the end of the academic year. Where there is weak teaching individual programmes are in place and these will be followed by capability processes if necessary.

Learning in all four schools will be a priority for monitoring and evaluation in 2017-2018

**Work across the MAT**

Throughout the year there has been a significant amount of collaborative work across the schools.

- The commissioning of a School Improvement Consultant in a variety of roles, stabilised the leadership in Powers Hall and the school improvement work in Templars, as well as introducing new procedures across the MAT.
- The MAT SLE has worked at all four schools, working closely with the Consultant throughout the year, dedicating a weekly slot for each school, supporting leadership, implementing programmes and coaching and mentoring teachers.
- Many staff became SLEs and worked across the MAT in English, Maths and Assessment.
- HOS of Templars again used her moderation training to support the other schools.
- PHA Deputy Head worked as support to the leadership at Silver End Primary, eventually becoming HOS in May 2017
- Outstanding PHA teacher has worked with staff at Silver end, following on from her OTP train
- Regular support from the trust finance manager with Finance and Personnel issues across all four schools
- English Lead at Templars led on moderation of writing across the MAT, developing a portfolio of work to be used by all teachers.
- HOS at Silver End delivered Safeguarding training across the MAT.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

- Deputy Head/SENCo supported in Templars, Silver End and Cherry Tree
- SLE from Icení moved to PHA and completed outreach work for the TSA
- Monitoring files set up centrally from all schools plus external support.
- Behaviour Lead at PHA supported Cherry Tree and Templars
- Business Centre developed using staff from across the MAT
- Key learning Model introduced to 4 schools.
- Joint Governing Body in Colchester formed.

**Development of staff**

- Continual CPD for all staff across the year, through staff meetings and SLT meetings on elements of the Key Learning Model
- 4 schools INSET in September
- Leadership teams and staffing organised centrally to ensure all schools had fair and equitable leadership structures for 2017-2018. Outstanding teachers appointed to work in all school across the MAT.
- All NQT+1s attended Improving Teacher Programme [ITP]
- 4 staff from PHA and 3 from Templars attended Outstanding Teacher Programme
- 2 DHTs appointed at Templars and 1 Assistant Head appointed
- Moderation sessions for all staff in Year 6 across the MAT held at PHA
- 3HLSAs achieved accreditation
- Outstanding Teacher at PHA coached staff at SE

**Financial review**

**a. Going concern**

These accounts have been prepared on a going concern but the board is cognizant of the fact that the budget for 2017/18 uses all of the academy trust's available reserves and thus there may not be sufficient cash in the academy to continue operating from September 2018. The trust will be making every effort to save costs and restructure where possible to delay or eliminate this threat but at this point there is a significant degree of uncertainty as to whether that will prove possible.

**b. Principal risks and uncertainties**

Government Funding and Financial – The Trust is essentially reliant on the continued Government funding from the EFA/DFE and there is no assurance that the Government policy or practice will remain the same or that funding will remain at the same levels. Of particular concern currently is identifying those pupils entitled to Free School Meals once parents of Infant School children have no need to apply to this as all Infant School children are entitled to Free School meals from Sept 2014.

The demand for the Outreach Work.

Staffing – the ability to retain, recruit and train quality staff and managers and succession planning with an aging workforce.

Governance and Management – a potential failure to effectively manage the Trusts finances, controls and education and operational performance.

Safeguarding and Child Protection – the need to continue to ensure high standards of selection and monitoring of staff, the operation of child protection policies, health and safety and discipline.

Payroll Provision – Reliance on external payroll provider to accurately calculate employee pensions contributions, tax, National Insurance; all factors that are outside the Academies ability to check.

Future Plans – are to increase the numbers of Academies within the MAT in a controlled manner to ensure we retain the benefits of the economies of scale as against over expansion. There is the potential for other schools

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**For the year ended 31 August 2017**

to join the MAT with the support of the Local Education Authority.

**c. Reserves policy**

Trustees review the reserve levels of each academy at each Finance and Personnel Committee meeting. The annual budget setting process examines the income and expenditure streams, the need to match income with commitments and the nature of any potential reserves. The policy is to retain sufficient to ensure the integrity of next year's budget and thereafter to ensure surplus funds are used to the benefit of existing pupils. The Financial Regulations require that if a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. It is important that, if the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils. The financial surplus for 2016-2017 is primarily earmarked for essential expenditure in 2017-2018.

**d. Principal funding**

Principle sources of funding – DFE, and Outreach Support income.  
Financial Management Policies – MAT Financial Regulations, School level Financial Regulations,  
See below for Reserves and Investment Policies.

**e. Material investments policy**

Investments must be made only in accordance with written procedures approved by the Local Governing Body/Board of Trustees and clearly held in the academy's name. Aspects to consider include:

objectives

Risk

Type of investment and term

Academy's financial position

Financial limit for type of investment

Spreading investments between providers to ensure savings are covered by the Financial Services Authority

Security of access

Rate of return

Charges

Business interests of Governors and academy staff

Ethical, social and environmental considerations

Review including review of performance

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received and recorded on the financial accounting system.

No formal investments are currently held, however, we do have a cash surplus which is monitored by the MAT, much of which is earmarked for specific projects for the following year.

**Plans for future periods**

**a. Future developments**

To increase the number of Academies in the Multi Academy Trust in line with the stated strategy above.

To offer an appropriate and relevant curriculum matched to the individual needs and capabilities of the pupils

To provide a high quality learning and teaching of that curriculum that is challenging, engaging and, exciting

To raise the aspirations and expectations of all our pupils

To recruit and retain high quality, skilled and trained staff

To retain the judgement of outstanding by OFSTED where it exists

To strive to ensure that all schools within the MAT achieve at least a judgement of good by OFSTED

**Employee involvement and employment of the disabled**

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These policies are to be found in the following:-

Recruitment Policy  
Employment of Disabled Persons Policy  
Performance Management Policy

In accordance with the academy's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on its behalf by:



**Rowland Costin**  
Chair

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**Governance Statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Connected Learning Multi Academy 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 Principal/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 Connected Learning Multi Academy 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Rowland Costin	4	4
Bruce Tuxford	4	4
Jane Bass	4	4
Claire Brazier	4	4
Don Burton	4	4
Simon Carter	4	4
Nick Redfern	3	4
Susan Sings	4	4

The Trustees have been stable this year though we would like to increase the size of the board to aid skills and flexibility. We have employed a Chief Learning Officer whose appointment starts in 1st September 2017 and was voted in as a welcome addition to the Board.

Governance reviews:

The Board of Trustees are undertaking the must's and should's from the Academies Financial Handbook and we are currently undertaking the NGA Skills Audit. At its initial meeting it developed the following action plan

The **Audit, Finance and Personnel Committee** is a sub-committee of the main board of trustees. Its purpose is

**Audit Responsibilities**

- To determine whether the performance of the external audit is satisfactory and effective and meets the requirements of the Trust
- To recommend to the Board of Trustees the retention or replacement of the external auditor and, if the Committee recommends replacement, evaluate candidates for the appointment
- To review all issues related to any change of external auditor and the planned steps for an orderly transition:
- To review the terms of the external auditor's engagement, and the appropriateness and reasonableness of the proposed audit fees
- To review the audit plan with the external auditor and management; determine whether the management has provided full and open disclosure to the auditor's enquiries
- To review problems experienced by the external auditor in performing the audit, including any restriction imposed by management and all significant accounting issues on which there was a disagreement with

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**Governance Statement (continued)**

management, and review the post-audit or management letters containing the recommendation of the external auditor and reviewing management's response and subsequent follow-up to all identified weaknesses

- To meet with the external auditors in private at least once a year to ensure that there are no unresolved issues of concern and that full co-operation has been received
- To draw to the attention of the Board of Trustees all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Trust
- To develop, maintain and review the systems in place to identify and monitor major business risks; the Chairman will report to the Board of Trustees as appropriate on the areas of major business risk
- To verify the establishment of policies and procedures for monitoring compliance with applicable laws and with the Trust's policies as to authorisation of expenditures, leases and contracts and otherwise, and ascertain their adequacy and levels of compliance
- To endeavour to identify to the Board of Trustees matters that expose Members/Trustees to claims for which Members/Trustees could be held personally liable
- To ascertain whether any Conflict of Interest guidelines are strictly complied with, and ensure that Members/Trustees and Senior Management of schools within the Trust have submitted an annual return to confirm whether or not they have had any related party transactions with the Trust during the previous year
- To review the processes of governance to enable the Trust to implement best practice as set out in the appropriate guidance. This will include a comprehensive review of governance once every three years, the results of which are to be discussed at the following meeting of the Board of Trustees. The Audit, finance and Personnel Committee Chairman may conduct the review himself or delegate responsibility to another Director. The review was carried out in 2016 and was deemed necessary due to the ongoing trust centralisation program that Joint Local Governing Bodies (JLGB) would be formed for the 2 Colchester schools and 2 Witham schools during the last part of the academic year, to be ready to be adopted for the new Academic year 2017/18 going forwards
- To review and recommend changes to its Terms of Reference, following completion of each annual audit.

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**Governance Statement (continued)**

**Finance Responsibilities**

- To consider the financial aspects of particular matters specifically referred to the Committee
- To consider the Trust's indicative budget, notified annually by the Education funding Agency and to assess the implications for the Trust in consultation with the Lead Head Teacher, in advance of the year involved, drawing any matters of significance or concern to the attention of the appropriate Governing Body
- To consider and recommend acceptance or non acceptance of the Trust's budget at the start of each financial year.
- To contribute to the formulation of the Trust's Improvement plan through the consideration of financial priorities and proposals, in consultation with the Lead Head Teacher, with the stated and agreed aims and objectives of the Multi Academy Trust.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency funds or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To agree limits of delegation and virement. To liaise with and receive reports from committees as appropriate and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the board of Trustees.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvements where necessary.
- To prepare the Trustees' report to form part of the statutory accounts of the Trust and for filing in accordance with Companies' Act requirements.

**Personnel Responsibilities**

- To ensure there are effective policies and procedures in place for the safe recruitment of all staff and volunteers and for the engagement of other adults in accordance with DfE guidance and legal requirements
- To monitor compliance with those policies and procedure.
- To ensure that recruitment of staff is undertaken in accordance with the processes laid out in the Recruitment Policy of the Connected Learning MAT
- To monitor performance management with delegated powers being passed to the Lead Headteacher/Head teacher.
- To consider applications for early retirement, secondments or leave of absence
- To authorise and monitor expenditure with the staffing budgets with delegated powers for day-to-day matters being passed to the Headeacher.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Simon Carter	3	4
Susan Sings	4	4
Don Burton	2	4
Nick Redfern	2	4
Bruce Tuxford	4	4

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**Governance Statement (continued)**

Rowland Costin	3	3
Jane Bass	3	4
Claire Brazier	4	4

**Strategy**

Regular strategy meetings were held throughout the year and will continue to be held.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Simon Carter	5	7
Susan Sings	6	7
Don Burton	6	7
Nick Redfern	3	7
Bruce Tuxford	7	7
Rowland costin	5	7
Jane Bass	6	7
Claire Brazier	7	7

**Review of Value for Money**

As Accounting Officer, the Principal/Chief Executive has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

- Developing a program of centralisation for Admin, Finance and HR services
- The provision of a new Business centre for centralised services to operate from.
- The planning of PS Financials to replace FMS that would be cloud based to be available across the trust.
- Contracting for new trust-wide broadband services, to improve remote working to cloud based operations.
- Rationalisation of Business managers to seconded strategic admin positions, e.g. Business manager, HR Manager, Facilities Manager.

**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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Connected Learning Multi Academy Trust for the year 1 September 2016 to 31 August 2017 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 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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**Governance Statement (continued)**

**The Risk and Control Framework**

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

**Academy Internal Controls Evaluation Service (ICE)**

Ensuring that the following information and documents are available will assist the ICE process. If the required documents, or key members of staff, are not available, then it may not be possible to complete all of the scheduled work during the visit. This list is not exhaustive and other documentation may be required during the visit.

It is important that the academy's written Scheme of Delegation of Financial Powers, and the minutes of ALL relevant board / governing body committee meetings for the current and previous financial year are available for reference.

**Governance and Financial Management**

- board of trustees' review and approval of the written Scheme of Delegation of Financial supported by a minute of a board meeting
- specimen signatory list
- board of trustees' review of the Terms of Reference for the Finance Committee and any other committee with financial responsibility, supported by a minute of a board / governing body meeting
- board of trustees' approval of the academy's budget, supported by a minute of a board / governing body meeting
- forward financial plan
- a list of current members and trustees / governors relevant to the academy
- Register of Interests
- minutes confirming the opportunity to declare business interests for ALL board / governing body committee meetings
- Gifts and Hospitality Policy and Registers of Gifts and Hospitality, both received and given
- Register of Operating Risks
- evidence of formal appointment by the board of trustees of SBM Services Ltd to review the academy's internal controls and financial procedures
- 2014/15 or 2015/16 (the latest) published audited accounts
- most recent statutory auditor's Management Letter

**Governance & Financial Reporting**

- reconciliation of the 2016/17 budget approved by governors to the budget entered / 'fixed' on the academy's financial accounting system
- authorisation to support 'in year' amendments to the budget approved by governors (virements)
- financial reporting to governors
- cash flow forecast

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**Governance Statement (continued)**

- reconciliation of all balance sheet control accounts
- process for monitoring overdue debts and authorisation for the write off of any bad debts
- 2015/16 published audited accounts
- most recent statutory auditor's Management Letter
- reconciliation of the 2016/17 budget approved by governors to the budget entered / 'fixed' on the academy's financial accounting system
- authorisation to support 'in year' amendments to the budget approved by governors (virements)
- financial reporting to governors
- cash flow forecast reconciliation of all balance sheet control accounts process for monitoring overdue debts and authorisation for the write off of any bad debts
- 2015/16 published audited accounts
- most recent statutory auditor's Management Letter
- authorisation for the write off of any bad debts
- 2015/16 statutory audit Management Letter

**Banking**

- list of bank and building society accounts held by the academy
- board/governing body approval for any change made to the bank account structure
- current bank mandates containing authorised signatories and limits of authority
- cheque books and cheque book security
- cheque approval process
- process for creating and amending supplier bank details for payments made by BACS
- BACS approval process
- bank statements and bank paying in books
- bank statement reconciliations including unreconciled transactions

**Income**

- procedures and documentation for monitoring and controlling non-devolved funding income
- letting charge rate policy
- review of segregation of duties within the income collection process

**Expenditure**

- scheme of financial delegation for approval of expenditure
- purchase / credit card procedures
- petty cash limits and approval process
- evidence of applying authorisation limits as specified in the academy's financial regulations
- quotations policy and documentation to evidence application of policy
- review of annual contracts
- tender process policy and documentation to evidence application of policy
- payments to individuals – adherence to HMRC requirements i.e. completed HMRC ESI (Employment Status Indicator) Tool
- payments to connected parties

Note: A sample of payments made will be undertaken.

**Payroll:**

- authorisation procedures and documentation for making changes to staff pay and conditions e.g. starters, leavers and amendments
- evidence of segregation of duties in the above process
- most recent payroll reports
- personnel files
- details of any special payments made such as special staff severance payments, compensation payments & ex-gratia payments and evidence of approval (EFA if appropriate)
- evidence of independent review of monthly payroll reports
- most recent payroll reports
- mileage, travel and subsistence claims
- staff personnel/contract files

A sample check of employee contract pay to actual pay will be undertaken.

On a termly basis, the internal auditor reports to the board of trustees through the audit, finance and personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board of Trustees were satisfied that the internal auditors delivered their schedule of work as planned. Two Trustees evaluated the outcomes across the four schools and prepared the following report:

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**Governance Statement (continued)**

- 1) On behalf of the above Committee Rowland Costin and Nick Redfern examined the ICE Reports submitted to the Committee to satisfy themselves that issues raised within the reports had been or were being dealt with effectively.
- 2) There were minimal issues raised in these reports this year. This showed to us that the four academies for which ICE Reports were available were adhering to the processes and procedures competently and effectively.
- 3) Cherry Tree had 1 red issue around business continuity planning which was corrected immediately.
- 4) The Trust had 1 red issue around updating Companies House when a Director resigned which was corrected immediately.
- 5) Icenl had 1 red issue around forward financial planning which had been corrected
- 6) Creation of supplier bank account details for BACs or amendments to existing supplier bank account details are not formally reviewed/approved by an authorised signatory (not necessarily a bank signatory) other than the person transacting the changes in the Academy Trust's BACS system. This is under review for centralization.
- 7) The Academy Trust currently do not have an up to date medium term financial plan in place. This is under review for centralisation.

**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Finance and Personnel 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 18 December 2017 and signed on their behalf, by:



**Rowland Costin**  
**Chair of Trustees**



**Jane Bass**  
**Accounting Officer**

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**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Connected Learning I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



**Jane Bass**  
**Accounting Officer**

Date: 18 December 2017

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**Statement of Trustees' Responsibilities**  
**For the year ended 31 August 2017**

The Trustees (who act as governors of Connected Learning Multi Academy Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 18 December 2017 and signed on its behalf by:



**Rowland Costin**  
**Chair of Trustees**

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**Independent Auditors' Report on the Financial Statements to the Members of Connected Learning**

**Opinion**

We have audited the financial statements of Connected Learning (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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'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.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Accounting Policy 1.3 on page 23 in the financial statements how without additional grant funding or without significant cost savings the board may have insufficient funds to operate the Academy beyond August 2018. These conditions, along with other matters set forth in page 11 of the Trustees report indicate the existence of a material uncertainty that may cast significant doubt about the Academy's ability to continue as a going concern.

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**Independent Auditors' Report on the Financial Statements to the Members of Connected Learning**

**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. 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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report has 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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

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**Independent Auditors' Report on the Financial Statements to the Members of Connected Learning**

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

Alyson Howard FCCA DChA CF (Senior statutory auditor)  
for and on behalf of  
**Williams Giles Limited**  
Statutory Auditors  
Chartered Accountants  
12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH  
Date:

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**Independent Reporting Accountants' Assurance Report on Regularity to Connected Learning and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connected Learning during the year 1 September 2016 to 31 August 2017 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 Connected Learning and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Connected Learning and the 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 Connected Learning and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Connected Learning's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Connected Learning's funding agreement with the Secretary of State for Education dated 28 June 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

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**Independent Reporting Accountants' Assurance Report on Regularity to Connected Learning and the  
Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Williams Giles Limited**  
Statutory Auditors  
Chartered Accountants  
12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date:

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**Statement of Financial Activities incorporating Income and Expenditure Account**  
For the year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	23,151	-	499,075	522,226	5,844,640
Charitable activities	3	-	5,114,281	-	5,114,281	3,854,053
Other trading activities	4	53,235	345,262	-	398,497	281,959
Investments	5	879	-	-	879	879
Teaching schools		-	139,800	-	139,800	82,000
<b>Total income</b>		<b>77,265</b>	<b>5,599,343</b>	<b>499,075</b>	<b>6,175,683</b>	<b>10,063,531</b>
<b>Expenditure on:</b>						
Raising funds:						
Voluntary income	6	2,000	38,355	-	40,355	26,182
Teaching schools		-	137,949	-	137,949	64,166
Charitable activities		3,106	5,982,690	342,725	6,328,521	4,548,502
<b>Total expenditure</b>	9	<b>5,106</b>	<b>6,158,994</b>	<b>342,725</b>	<b>6,506,825</b>	<b>4,638,850</b>
<b>Net income / (expenditure) before transfers</b>		<b>72,159</b>	<b>(559,651)</b>	<b>156,350</b>	<b>(331,142)</b>	<b>5,424,681</b>
Transfers between Funds	21	(183,341)	183,341	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(111,182)</b>	<b>(376,310)</b>	<b>156,350</b>	<b>(331,142)</b>	<b>5,424,681</b>
Actuarial gains/(losses) on defined benefit pension schemes	26	-	713,000	-	713,000	(1,090,000)
<b>Net movement in funds</b>		<b>(111,182)</b>	<b>336,690</b>	<b>156,350</b>	<b>381,858</b>	<b>4,334,681</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		484,658	(2,876,217)	8,437,759	6,046,200	1,711,519
<b>Total funds carried forward</b>		<b>373,476</b>	<b>(2,539,527)</b>	<b>8,594,109</b>	<b>6,428,058</b>	<b>6,046,200</b>

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(A company limited by guarantee)  
Registered number: 08579939

**Balance Sheet**  
As at 31 August 2017

	Note	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	17		<b>8,530,936</b>		7,827,468
<b>Current assets</b>					
Stocks	18	2,104		7,421	
Debtors	19	286,387		174,405	
Cash at bank and in hand		672,449		1,421,379	
		<u>960,940</u>		<u>1,603,205</u>	
<b>Creditors:</b> amounts falling due within one year	20	<u>(414,818)</u>		<u>(406,473)</u>	
<b>Net current assets</b>			<u>546,122</u>		1,196,732
<b>Total assets less current liabilities</b>			<u>9,077,058</u>		<u>9,024,200</u>
Defined benefit pension scheme liability	26		<u>(2,649,000)</u>		<u>(2,978,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u>6,428,058</u>		<u>6,046,200</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	21	109,473		101,783	
Restricted fixed asset funds	21	8,594,109		8,437,759	
Restricted income funds excluding pension liability		8,703,582		8,539,542	
Pension reserve		<u>(2,649,000)</u>		<u>(2,978,000)</u>	
Total restricted income funds			<u>6,054,582</u>		5,561,542
Unrestricted income funds	21		<u>373,476</u>		<u>484,658</u>
<b>Total funds</b>			<u>6,428,058</u>		<u>6,046,200</u>

The financial statements on pages 28 to 54 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:



**Rowland Costin**  
Chair of Trustees

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Statement of Cash Flows**  
For the year ended 31 August 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	23	<u>(201,813)</u>	<u>515,019</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		-	879
Purchase of tangible fixed assets		(1,046,192)	(430,206)
Capital grants from DfE/ESFA		499,075	1,039,427
<b>Net cash (used in)/provided by investing activities</b>		<u>(547,117)</u>	<u>610,100</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		(748,930)	1,125,119
		<u>1,421,379</u>	<u>296,260</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>672,449</u></u>	<u><u>1,421,379</u></u>

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies**

Connected Learning is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Powers Hall Academy, Spa Road, Witham, Essex, CM81NA. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Connected Learning constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 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 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

These accounts have been prepared on a going concern but the board is cognizant of the fact that the budget for 2017/18 uses all of the academy trust's available reserves and thus there may not be sufficient cash in the academy to continue operating from September 2018. The trust will be making every effort to save costs and restructure where possible to delay or eliminate this threat but at this point there is a significant degree of uncertainty as to whether that will prove possible..

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.4 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

**1.5 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.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight line
Short-term leasehold property	-	2% Straight line
Leasehold improvements	-	2% Straight line
Fixtures and fittings	-	10% Straight line
Computer equipment	-	33% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Included within leasehold properties is an amount relating to the construction of a new classroom for the Academy. This cost has been wholly paid by Essex County Council and is included in the Trust Accounts at the cost of construction provided by Essex County Council.

The valuation for leasehold property at Powers Hall Academy is taken from the land and buildings desktop valuation provided by the Valuation Office Agency, completed for the EFA. The valuations have been prepared in accordance with the Valuation Standards 7th Edition, published by the Royal Institution of Chartered Surveyors (RICS) and effective from 2 May 2011, in so far as this is consistent with current HM Treasury guidance and requirements of the Charities SORP. The basis of the valuation is Fair Value, as defined by the International Financial Reporting Standards (IFRS).

The valuation for leasehold property at Icen Academy is taken from the land and buildings valuation provided by Kier, completed for the EFA. The valuations have been prepared in accordance with the Valuation Standards 7th Edition, published by the Royal Institution of Chartered Surveyors (RICS) and effective from 2 May 2011, in so far as this is consistent with current HM Treasury guidance and requirements of the Charities SORP. The basis of the valuation is Fair Value, as defined by the International Financial Reporting Standards (IFRS).

The valuation for leasehold property at Cherry Tree Primary School is taken from the land and buildings valuation provided by Kier, completed for the EFA. The valuations have been prepared in accordance with the Valuation Standards 7th Edition, published by the Royal Institution of Chartered Surveyors (RICS) and effective from 2 May 2011, in so far as this is consistent with current HM Treasury guidance and requirements of the Charities SORP. The basis of the valuation is Fair Value, as defined by the International Financial Reporting Standards (IFRS).

Where a formal valuation is not available, the buildings are valued at 20% of the latest insurance valuations.

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 Stocks**

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

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**1.11 Liabilities and provisions**

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. 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 costs as detailed in note 20. 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 instruments.

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**1. Accounting Policies (continued)**

**1.13 Taxation**

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

**1.14 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 incorporating income and expenditure account 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.

**1.15 Fund accounting**

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

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

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

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2017

**1. Accounting Policies (continued)**

**1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

**2. Income from donations and capital grants**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Assets inherited on conversion	-	-	-	-	4,755,716
Donations	23,151	-	-	23,151	49,497
Devolved formula capital	-	-	21,684	21,684	40,862
Other capital grants	-	-	477,391	477,391	998,565
	<u>23,151</u>	<u>-</u>	<u>499,075</u>	<u>522,226</u>	<u>5,844,640</u>
<i>Total 2016</i>	<u>339,761</u>	<u>(1,308,000)</u>	<u>6,812,879</u>	<u>5,844,640</u>	

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2017

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,195,586	4,195,586	3,113,543
Other DfE/ESFA grants	-	127,525	127,525	67,248
Pupil premium	-	566,017	566,017	447,141
Start up grants	-	70,000	70,000	83,346
	<u>-</u>	<u>4,959,128</u>	<u>4,959,128</u>	<u>3,711,278</u>
<b>Other government grants</b>				
Other government grants	-	155,153	155,153	142,775
	<u>-</u>	<u>155,153</u>	<u>155,153</u>	<u>142,775</u>
	<u>-</u>	<u>5,114,281</u>	<u>5,114,281</u>	<u>3,854,053</u>
<i>Total 2016</i>	<u>-</u>	<u>3,854,053</u>	<u>3,854,053</u>	

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Consultancy	-	52,227	52,227	91,654
Teacher training	-	360	360	550
Hire of facilities	30,508	-	30,508	24,088
Catering income	-	118,304	118,304	81,560
Uniform	14,171	-	14,171	8,805
Educational trips	-	27,073	27,073	18,133
Nursery income	-	72,856	72,856	-
Other income	8,556	74,442	82,998	57,169
	<u>53,235</u>	<u>345,262</u>	<u>398,497</u>	<u>281,959</u>
<i>Total 2016</i>	<u>32,893</u>	<u>249,066</u>	<u>281,959</u>	

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2017

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	879	-	879	879
<i>Total 2016</i>	879	-	879	

**6. Expenditure on raising funds**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Uniform	2,000	-	2,000	4,674
Educational visits	-	36,724	36,724	20,303
Music fees	-	1,631	1,631	1,205
	2,000	38,355	40,355	26,182
<i>Total 2016</i>	4,674	21,508	26,182	

**7. Direct costs**

	Educational activities £	Total 2017 £	Total 2016 £
Staff development	43,867	43,867	41,160
Educational consultancy	165,582	165,582	157,718
Educational supplies	119,235	119,235	93,020
Other direct costs	50,520	50,520	54,452
Supply teachers	10,800	10,800	27,894
Wages and salaries	2,765,227	2,765,227	1,979,828
National insurance	219,134	219,134	143,135
Pension cost	393,197	393,197	279,022
	3,767,562	3,767,562	2,776,229
<i>At 31 August 2016</i>	2,776,229	2,776,229	

**CONNECTED LEARNING**  
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Notes to the Financial Statements  
For the year ended 31 August 2017

**8. Support costs**

	Educational activities £	Total 2017 £	Total 2016 £
LGPS costs	64,000	64,000	47,000
Maintenance of premises and equipment	85,028	85,028	82,532
Cleaning	75,928	75,928	64,527
Rent & rates	26,490	26,490	13,882
Energy costs	80,522	80,522	64,711
Insurance	44,236	44,236	30,222
Other support costs	137,471	137,471	85,529
Catering	144,998	144,998	109,684
Agency Supply	753	753	-
Security & Transport	14,071	14,071	10,898
Leasing	25,912	25,912	16,964
Technology costs	37,782	37,782	35,122
Legal & Professional	125,610	125,610	107,160
Governance costs	95,925	95,925	39,527
Wages and salaries	709,946	709,946	594,446
National insurance	54,659	54,659	31,759
Pension cost	494,903	494,903	192,749
Depreciation	342,725	342,725	245,561
	<u>2,560,959</u>	<u>2,560,959</u>	<u>1,772,273</u>
<i>At 31 August 2016</i>	<u>1,772,273</u>	<u>1,772,273</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs: £95,925 (2016 - £39,527) included within the table above in respect of Educational activities.

**9. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	40,355	40,355	90,348
Expenditure on fundraising trading	-	-	137,949	137,949	-
Educational activities:					
Direct costs	3,377,558	-	390,004	3,767,562	2,776,229
Support costs	1,259,508	166,804	1,134,647	2,560,959	1,772,273
	<u>4,637,066</u>	<u>166,804</u>	<u>1,702,955</u>	<u>6,506,825</u>	<u>4,638,850</u>
<i>Total 2016</i>	<u>3,248,833</u>	<u>580,800</u>	<u>809,217</u>	<u>4,638,850</u>	

In 2017, of the total expenditure £xxxx (2016 - £7,071) was to unrestricted funds and £xx (2016 - £4,755,248) was to restricted funds.

**CONNECTED LEARNING**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

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

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>342,724</b>	245,561
Operating leases	<b>12,852</b>	19,549
	<u><u>          </u></u>	<u><u>          </u></u>

**11. Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	£	£
Fees payable to the academy's auditor for the audit of the academy's annual accounts	<b>11,750</b>	11,750
Fees payable to the academy's auditor in respect of:		
Audit-related assurance services	<b>6,175</b>	6,175
All other non-audit services not included above	<b>3,750</b>	3,750
	<u><u>          </u></u>	<u><u>          </u></u>

**CONNECTED LEARNING**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2017

**12. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,463,311	2,574,274
Social security costs	273,793	174,894
Operating costs of defined benefit pension schemes	888,100	471,771
	<u>4,625,204</u>	<u>3,220,939</u>
Apprenticeship levy	1,062	-
Supply teacher costs	-	27,894
Other staff restructuring	10,800	-
	<u><u>4,637,066</u></u>	<u><u>3,248,833</u></u>

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

	2017 No.	2016 No.
Teaching	48	72
Administration and support	142	91
Management	12	13
	<u>202</u>	<u>176</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £375,628 (2016: £322,480).

**CONNECTED LEARNING**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**13. Central services**

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

- HR and legal support
- Finance support and internal controls evaluation
- Governance
- Educational services

The academy charges for these services on the following basis:

3% of ESFA Age Weighted Pupil Unit (AWPU) income and other individual costs recharged to the academies appropriately.

The actual amounts charged during the year were as follows:

	<b>2017</b>	2016
	£	£
Powers Hall Academy	<b>70,040</b>	22,320
Cherry Tree Primary School	<b>56,405</b>	11,160
Iceni Academy	<b>59,652</b>	14,880
Templars Academy	<b>77,455</b>	7,553
Total	<b><u>263,552</u></b>	<u>55,913</u>

**CONNECTED LEARNING**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**14. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Jane Bass	Remuneration	<b>110,000-115,000</b>	80,000-85,000
	Pension contributions paid	<b>10,000-15,000</b>	10,000-15,000
Claire Brazier	Remuneration	<b>65,000-70,000</b>	45,000-50,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000
Kirsty Brown	Remuneration		15,000-20,000
	Pension contributions paid		0-5,000

During the year ended 31 August 2017, expenses totalling £94 (2016 - £468) were reimbursed to 1 Trustee (2016 - 3).

**15. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included within the cost of insurance.

**16. Other finance income**

	2017	2016
	£	£
Interest income on pension scheme assets	<b>17,000</b>	(47,000)
Interest on pension scheme liabilities	<b>(81,000)</b>	-
	<b><u>(64,000)</u></b>	<b><u>(47,000)</u></b>

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**17. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>					
At 1 September 2016	6,916,476	702,283	285,340	353,145	8,257,244
Additions	130,298	19,025	14,725	882,144	1,046,192
Transfer between classes	418,848	576,365	-	(995,213)	-
	<u>7,465,622</u>	<u>1,297,673</u>	<u>300,065</u>	<u>240,076</u>	<u>9,303,436</u>
<b>Depreciation</b>					
At 1 September 2016	207,580	78,038	144,158	-	429,776
Charge for the year	153,792	128,078	60,854	-	342,724
Transfer between classes	2,489	(2,489)	-	-	-
	<u>363,861</u>	<u>203,627</u>	<u>205,012</u>	<u>-</u>	<u>772,500</u>
<b>Net book value</b>					
At 31 August 2017	<u>7,101,761</u>	<u>1,094,046</u>	<u>95,053</u>	<u>240,076</u>	<u>8,530,936</u>
At 31 August 2016	<u>6,708,896</u>	<u>624,245</u>	<u>141,182</u>	<u>353,145</u>	<u>7,827,468</u>

Assets transferred on conversion have been disclosed as per the relevant ESFA desktop valuation by school with the exception of one school where this was not available. Therefore the building was valued at 20% of the latest insurance replacement value.

**18. Stocks**

	2017 £	2016 £
Stock held for resale	<u>2,104</u>	<u>7,421</u>

**19. Debtors**

	2017 £	2016 £
Trade debtors	-	2,590
Other debtors	30,139	30,832
Prepayments and accrued income	187,213	102,149
VAT recoverable	69,035	38,834
	<u>286,387</u>	<u>174,405</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	771	41,536
Other taxation and social security	68,402	69,582
Other creditors	102,165	61,483
Accruals and deferred income	243,480	233,872
	<b>414,818</b>	<b>406,473</b>
	<b>414,818</b>	<b>406,473</b>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2016	91,495	1,941
Resources deferred during the year	77,921	91,495
Amounts released from previous years	(91,495)	(1,941)
	<b>77,921</b>	<b>91,495</b>
	<b>77,921</b>	<b>91,495</b>

Deferred income includes grants received in advance for Universal Infant Free School Meals, Rates relief and NCTL Teaching Schools income.

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**21. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted fund	484,658	77,265	(5,106)	(183,341)	-	373,476
<b>Restricted funds</b>						
General annual grant (GAG)	33,702	4,195,586	(4,323,109)	93,821	-	-
Start up grants	-	70,000	(4,872)	-	-	65,128
Other DfE/EFA Grants	-	127,525	(127,525)	-	-	-
Pupil Premium	25,587	566,017	(591,604)	-	-	-
Other Government Grants	-	155,153	(155,153)	-	-	-
Other generated funds	-	345,262	(345,262)	-	-	-
CIF asbestos funding	-	-	(89,520)	89,520	-	-
Teaching Alliance	42,494	18,800	(16,949)	-	-	44,345
Teaching Alliance - Grant Funded	-	121,000	(121,000)	-	-	-
Pension reserve	(2,978,000)	-	(384,000)	-	713,000	(2,649,000)
	<u>(2,876,217)</u>	<u>5,599,343</u>	<u>(6,158,994)</u>	<u>183,341</u>	<u>713,000</u>	<u>(2,539,527)</u>
<b>Restricted fixed asset funds</b>						
Asset held for depreciation	7,827,468	-	(342,725)	1,046,193	-	8,530,936
Devolved capital formula	24,442	21,684	-	(919)	-	45,207
Capital grants	585,849	477,391	-	(1,045,274)	-	17,966
	<u>8,437,759</u>	<u>499,075</u>	<u>(342,725)</u>	<u>-</u>	<u>-</u>	<u>8,594,109</u>
Total restricted funds	<u>5,561,542</u>	<u>6,098,418</u>	<u>(6,501,719)</u>	<u>183,341</u>	<u>713,000</u>	<u>6,054,582</u>
Total of funds	<u><u>6,046,200</u></u>	<u><u>6,175,683</u></u>	<u><u>(6,506,825)</u></u>	<u><u>-</u></u>	<u><u>713,000</u></u>	<u><u>6,428,058</u></u>

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted fund	118,196	373,533	(7,071)	-	-	484,658
	<u>118,196</u>	<u>373,533</u>	<u>(7,071)</u>	<u>-</u>	<u>-</u>	<u>484,658</u>

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

**Restricted funds**

General annual grant (GAG)	27,978	3,143,195	(3,096,907)	-	1,930	76,196
Start up grants	135,187	83,346	(218,533)	-	-	-
Other DfE/EFA Grants	-	37,596	(37,596)	-	-	-
Pupil Premium	-	447,141	(421,554)	-	-	25,587
Other Government Grants	-	142,775	(142,775)	-	-	-
Other generated funds	-	249,066	(249,066)	-	-	-
Teaching Alliance	14,787	82,000	(96,787)	-	-	-
Pension Deficit inherited from Local authority on conversion	-	(1,308,000)	-	1,308,000	-	-
Pension reserve	(457,000)	-	(123,000)	(1,308,000)	(1,090,000)	(2,978,000)
	<u>(279,048)</u>	<u>2,877,119</u>	<u>(4,386,218)</u>	<u>-</u>	<u>(1,088,070)</u>	<u>(2,876,217)</u>

**Restricted fixed asset funds**

Asset held for depreciation	1,869,371	-	(245,561)	6,203,658	-	7,827,468
Devolved capital formula	-	40,862	-	(16,420)	-	24,442
Capital grants	-	998,565	-	(412,716)	-	585,849
	3,000	-	-	(3,000)	-	-
	-	5,773,452	-	(5,773,452)	-	-
	<u>1,872,371</u>	<u>6,812,879</u>	<u>(245,561)</u>	<u>(1,930)</u>	<u>-</u>	<u>8,437,759</u>
Total restricted funds	<u>1,593,323</u>	<u>9,689,998</u>	<u>(4,631,779)</u>	<u>(1,930)</u>	<u>(1,088,070)</u>	<u>5,561,542</u>
Total of funds	<u><u>1,711,519</u></u>	<u><u>10,063,531</u></u>	<u><u>(4,638,850)</u></u>	<u><u>(1,930)</u></u>	<u><u>(1,088,070)</u></u>	<u><u>6,046,200</u></u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Powers Hall Academy	304,998	296,922
Cherry Tree Primary School	42,089	74,385
Iceni Academy	(5,278)	119,109
Templars Academy	73,202	96,025
Central services	67,938	-
	<u>482,949</u>	<u>586,441</u>
Total before fixed asset fund and pension reserve		
Restricted fixed asset fund	8,594,109	8,437,759
Pension reserve	(2,649,000)	(2,978,000)
	<u>6,428,058</u>	<u>6,046,200</u>
Total	<u><u>6,428,058</u></u>	<u><u>6,046,200</u></u>

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Powers Hall Academy	1,001,661	414,212	32,827	424,432	1,873,132	1,774,957
Cherry Tree Primary School	566,744	201,155	26,146	185,026	979,071	1,000,710
Iceni Academy	745,311	187,235	9,762	234,655	1,176,963	1,023,360
Templars Academy	1,074,642	456,905	50,500	301,647	1,883,694	471,262
Central Services	-	-	-	193,741	193,741	-
	<u>3,388,358</u>	<u>1,259,507</u>	<u>119,235</u>	<u>1,339,501</u>	<u>6,106,601</u>	<u>4,270,289</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	33,609	-	8,497,327	8,530,936
Current assets	373,476	405,585	181,879	960,940
Creditors due within one year	-	(296,112)	(118,706)	(414,818)
Provisions for liabilities and charges	-	(2,649,000)	-	(2,649,000)
	<u>373,476</u>	<u>(2,539,527)</u>	<u>8,594,109</u>	<u>6,428,058</u>

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**22. Analysis of net assets between funds (continued)**

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	7,827,468	7,827,468
Current assets	484,658	508,256	610,291	1,603,205
Creditors due within one year	-	(406,473)	-	(406,473)
Provisions for liabilities and charges	-	(2,978,000)	-	(2,978,000)
	<u>484,658</u>	<u>(2,876,217)</u>	<u>8,437,759</u>	<u>6,046,200</u>

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(331,142)</b>	5,424,681
<b>Adjustment for:</b>		
Depreciation charges	<b>342,724</b>	245,561
Dividends, interest and rents from investments	-	(879)
Decrease/(increase) in stocks	<b>5,317</b>	(6,303)
Increase in debtors	<b>(138,252)</b>	(113,754)
Increase in creditors	<b>34,615</b>	347,592
Capital grants from DfE and other capital income	<b>(499,075)</b>	(1,039,427)
Defined benefit pension scheme obligation inherited	-	1,308,000
Defined benefit pension scheme cost less contributions payable	-	76,000
Assets inherited from local authority on conversion	-	47,000
Net (loss) on assets and liabilities from local authority on conversion	-	(5,773,452)
Defined benefit pension movement	<b>384,000</b>	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(201,813)</b>	515,019

**24. Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash in hand	<b>672,449</b>	1,421,379
<b>Total</b>	<b>672,449</b>	1,421,379

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**Notes to the Financial Statements**  
**For the year ended 31 August 2017**

**25. Capital commitments**

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	585,849

**26. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teacher's 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 Essex County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £ were payable to the schemes at 31 August 2017 (2016 - enter amount) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 16.4%. The TPS valuation for 2012

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**26. Pension commitments (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £306,643 (2016 - £266,796).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £337,000 (2016 - £226,000), of which employer's contributions totalled £257,000 (2016 - £173,000) and employees' contributions totalled £80,000 (2016 - £53,000). The agreed contribution rates for future years are 12.3% for employers and variable% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	15.00 %	15.00 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
RPI Increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

<b>Sensitivity analysis</b>	<b>At 31 August 2017 £</b>	<b>At 31 August 2016 £</b>
Discount rate +0.1%	3,857,000	3,502,000
Discount rate -0.1%	4,073,000	3,686,000
Mortality assumption - 1 year increase	4,091,000	3,686,000
Mortality assumption - 1 year decrease	3,839,000	3,501,000
CPI rate +0.1%	3,982,000	3,616,000

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**26. Pension commitments (continued)**

CPI rate -0.1% 3,944,000 3,570,000

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

	<b>Fair value at 31 August 2017</b>	<b>Fair value at 31 August 2016</b>
	£	£
Equities	857,000	420,000
Gilts	82,000	69,000
Other bonds	51,000	-
Debt instruments	-	22,000
Property	127,000	28,000
Cash and other liquid assets	40,000	18,000
Other Managed Funds	56,000	-
Alternative assets	101,000	58,000
<b>Total market value of assets</b>	<b>1,314,000</b>	<b>615,000</b>

The actual return on scheme assets was £114,000 (2016 - £63,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017</b>	<b>2016</b>
	£	£
Current service cost	(577,000)	(249,000)
Interest income	17,000	(47,000)
Interest cost	(81,000)	-
<b>Total</b>	<b>(641,000)</b>	<b>(296,000)</b>

Movements in the present value of the defined benefit obligation were as follows:

	<b>2017</b>	<b>2016</b>
	£	£
Opening defined benefit obligation	3,593,000	540,000
Transferred from Local Authority upon conversion	-	1,561,000
Current service cost	577,000	249,000
Interest cost	81,000	61,000
Employee contributions	80,000	53,000
Actuarial (gains)/losses	(361,000)	1,139,000
Benefits paid	(7,000)	(10,000)
<b>Closing defined benefit obligation</b>	<b>3,963,000</b>	<b>3,593,000</b>

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**Notes to the Financial Statements**  
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**26. Pension commitments (continued)**

Movements in the fair value of the academy's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	615,000	93,000
Transferred from Local Authority upon conversion	-	243,000
Interest income	17,000	14,000
Actuarial losses	352,000	49,000
Employer contributions	257,000	173,000
Employee contributions	80,000	53,000
Benefits paid	(7,000)	(10,000)
	<u>1,314,000</u>	<u>615,000</u>
Closing fair value of scheme assets	<u>1,314,000</u>	<u>615,000</u>

**27. Operating lease commitments**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	10,495	12,852
Between 1 and 5 years	1,132	5,564
	<u>11,627</u>	<u>18,416</u>
Total	<u>11,627</u>	<u>18,416</u>

**28. 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.

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**29. Related party transactions**

Owing to the nature of the academy'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year costs of £nil (2016: £1,800) were incurred for professional services from NCR Services, a company Mr N C Redfearn is connected to. No amounts were outstanding as at 31 August 2017 (2016: £nil).

In entering into the transactions above, the trust has complied with the requirements of the Academies Financial Handbook 2016.