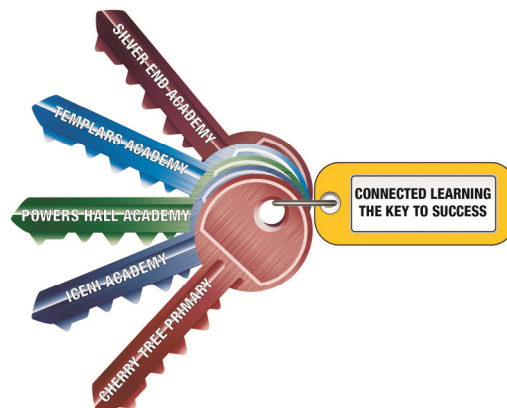


# Connected Learning

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



Edmund Carr LLP  
146 New London Road  
Chelmsford  
Essex  
CM2 0AW

## **Connected Learning**

### **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 15
Governance Statement	16 to 25
Statement on Regularity, Propriety and Compliance	26
Statement of Trustees' Responsibilities	27
Independent Auditor's Report on the Financial Statements	28 to 30
Independent Reporting Accountant's Report on Regularity	31 to 32
Statement of Financial Activities incorporating Income and Expenditure Account	33 to 34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements	37 to 61

## **Connected Learning**

### **Reference and Administrative Details**

**Members** Philip Barlow  
Rod Lane  
Susan Sings  
Anthony Welch

**Trustees (Directors)** Rowland Costin  
Bruce Tuxford  
Jane Bass  
Claire Brazier  
Simon Webb  
Don Burton  
Nick Redfern  
Susan Sings

**Company Secretary** Claire Brazier

**Senior Management Team** Jane Bass, Executive Headteacher & CEO  
Simon Webb, Executive Headteacher & CLO  
Claire Brazier, Chief Operations Officer

Members of the Audit, Finance and Premises Committee: Don Burton (Chair), Nicholas Redfern, Susan Sings, Rowland Costin and Bruce Tuxford. In attendance: Claire Brazier and Jane Bass.

## Connected Learning

### Reference and Administrative Details (continued)

<b>Principal and Registered Office</b>	Powers Hall Academy Spa Road Witham Essex CM8 1NA
<b>Company Registration Number</b>	08579939
<b>Auditors</b>	Edmund Carr LLP 146 New London Road Chelmsford Essex CM2 0AW 31 July 2017
<b>Bankers</b>	Lloyds Bank 77-81 High Street Chelmsford Essex CM8 1DU
<b>Solicitors</b>	Brait Ltd 67 Lapins Lane Kingshill Kent ME19 4LE

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019**

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

The trust operates 5 primary academies in Essex. Its academies have a combined pupil capacity of 1650 and a roll of 1278.

#### **Structure, governance and management**

##### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08579939.

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.

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

##### ***Members' liability***

Each member of the charitable company undertakes to contribute to the assets of the 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.

##### ***Trustees' indemnities***

Trustee and Trust Fund Indemnity Policy from 1st September 2018 to 31st August 2019 provided by Zurich Municipal with an indemnity limit of £5,000,000 and Indemnity Pollution Defence Costs limit of £500,000.

##### ***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.

##### ***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.

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Organisational structure***

The management structure consists of the Members of the Trust, the Board of Trustees, the Trust's Executive Leadership Team, the Local Governing Bodies of the Academies within the Trust (where relevant), the Executive Headteachers, Heads of School 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, Finance & Personnel Committee, and the Trust Pay Committee all report to the Board of Trustees.

In February 2019 the Connected Learning Board agreed to dissolve the Local Governing Bodies of Powers Hall Academy, Templars Academy, Icen Academy and Cherry Tree Academy; this decision was not taken lightly but it was considered that it was no longer sustainable to continue with the limited number of governors on the two joint LGBs. In July 2019 the Board once more had to make the decision to disband the final LGB, at Silver End Academy. Each Academy now has fully functioning Advisory Forums.

The Senior Managers are the Executive Headteachers, the Heads of School of the Academies within the Trust, their Deputies and Senior Leaders. These managers control their Academy at an executive level, implementing the policies set out by the Board of Trustees 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. Some spending control is devolved to members of the middle management team within approved limits.

#### ***Arrangements for setting pay and remuneration of key management personnel***

Connected Learning 's Board of Trustees agreed at its inception to uphold the Teachers' Pay and Conditions. The CEO has an annual performance management review with the Chair of Trustees, the Chair of the Trust's Audit, Finance and Premises Committee and an external education expert. This group then makes recommendations to the Trust Pay Committee. The Heads of School/Headteacher of individual academies within the Trust have a performance management review with the CEO and CLO. 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 volunteers in their role of Trustee.

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 the objectives;
- 5) have demonstrated a personal responsibility for identifying and meeting their CPD needs.

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

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

Other evidence to be considered will be:

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

In the case of Upper Pay Range teachers and Lead Practitioners, evidence of their contribution beyond their own classroom and their impact on the wider school is required.

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.

#### **Trade union facility time**

During the year the Trust did not have any employees who were relevant union officials.

#### ***Connected organisations, including related party relationships***

The New Essex Teaching School Network based at Powers Hall Academy 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.

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Objectives and activities

##### *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 11, providing a broad-based and balanced curriculum and with an emphasis on literacy and numeracy.

The aims of the MAT are: -

- To provide a MAT-led school improvement system
- To develop an outstanding leadership team
- To be a community
- For each Academy yet to be judged as Good to have a designated leadership team from the MAT that will have responsibility and accountability for school improvement
- For Connected Learning to continue to work closely and positively with the Local Authority
- To ensure continuous attention to the need for effective succession management across the MAT
- To develop the MAT premises to ensure their fitness for purpose

• In return, the MAT will offer the following: -

- 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

Looking forward to 2019/ 2020, we are still operating in a challenging economic environment and working with budget deficits; the Trust is continuing to make significant financial savings where possible. The Trust will not grow in terms of schools unless an exceptional opportunity presents itself for a good or outstanding school, which is financially secure. Outside of this, going forwards, it is still our aspiration to be a community of 8 or more academies with no more than three being requires improvement, serious weaknesses or special measures. It continues to be our aim to develop the Trust through good or outstanding schools becoming our partners. We also plan to provide Nursery provision in Cherry Tree Academy and Silver End Academy; in 2019 we admitted two year olds into the Nursery at Templars Academy.

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

The Trust's 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

#### ***Objectives, strategies and activities***

- To develop leadership structures across all schools that will be strong and sustainable for 2019-2020
- To ensure that all teachers/leaders are given a structured and rigorous programme of development building on starting points
- To embed the 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 learning environment that addresses the needs and aspirations of all the pupils
- To provide staff with up to date and appropriate resources

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### *Public benefit*

The Teaching School Alliance operated from Powers Hall Academy but is a separate entity. Nonetheless this brought in additional outreach work and connections into the wider educational community.

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

Powers Hall Academy's supported charities in 2018/19:

- Trussel Trust (Witham Foodbank)
- Save the Children (Indonesian Tsunami Appeal)
- Royal British Legion
- Children in Need
- Comic Relief
- NSPCC
- Smile Train

Templars Academy's supported charities in 2018/19:

- Comic Relief
- NSPCC
- North Essex Astronomical Society
- Children in Need
- Royal British Legion

Silver End Academy's supported charities in 2018/19

- NSPCC
- Children in Need
- Rainbow Trust
- Great Ormond Street
- Wipe through those tears

Cherry Tree Academy's supported charities in 2018/19:

- Comic Relief
- Sightsavers
- Children in Need
- Save the Children
- Macmillans

Iceni Academy's supported charities in 2018/19

- Children in Need
- Children's Society
- Purple Pinkie Day
- Comic Relief
- Save The Children

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### Achievements and performance

###### 2019 SATs results

We have an improving set of data for 2019 in three of the five schools, these being Powers Hall Academy, Templars Academy and Iceni Academy. One further school, Silver End Academy has broadly met the National Standards with a general downward trend in most areas.

The disappointing Academy this year is Cherry Tree, where the outcomes are below where the reporting indicated, with the combined being significantly below.

<b>2019 Outcomes</b>	<b>Cherry Tree</b>	<b>Iceni</b>	<b>Powers Hall</b>	<b>Templars</b>	<b>Silver End</b>	<b>Essex 2019</b>	<b>National 2019</b>
EYFS GLD	61%	N/a	N/a	79%	78%	74%	72%
<b>Key Stage 1</b>							
Reading	74%	N/a	N/a	67%	81%	77%	75%
Writing	59%	N/a	N/a	59%	75%	71%	69%
Maths	67%	N/a	N/a	65%	78%	77%	76%
RWP	64%	N/a	N/a	59%	75%	66%	
Phonics Yr 1	84%	N/a	N/a	82%	72%	82%	82%
<b>Key Stage 2</b>							
Reading	71%	88%	78%	80%	71%	74%	73%
Writing	81%	88%	92%	78%	80%	80%	78%
Maths	62%	94%	86%	82%	77%	80%	79%
RWM	57%	84%	72%	78%	63%	66%	65%
GaPS	62%	90%	86%	80%	77%	79%	78%

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

**Progress data for the five schools was as follows:-**

##### **Powers Hall Academy**

The outcomes in attainment data were an improvement from the previous year, with a much higher degree of consistency in three of the four disciplines, leading to an overall improvement in the Combined figures for the academic year. However, the combined total was below that which had been predicted and time will need to be taken next year to ensure the Venn diagrams and interventions for the children are better secured through effective interventions.

##### **Iceni Academy**

The outcomes in attainment data more than consolidated the learning outcomes of the previous year and although the combined showed a similar outcome, each of the disciplines showed an improvement. The leadership team are to be congratulated on such an impressive set of outcomes, the current Head of School being promoted to a Headteacher from September 2019.

##### **Cherry Tree**

These outcomes were significantly disappointing, in both Key Stages and the school if it were to be given an inspection would not change from RI. The inconsistencies showing in the data is reflected in the variability of the leadership in the school. Although there are three Speech and Language children in the Year 6 group, when removed from the data, the outcomes reflect inconsistent learning.

##### **Templars Academy**

The outcomes for the school have shown a slight increase from the previous year, however, this does not show the significant turbulence in staffing throughout the year. Both Heads of School have shown significant resilience and determination to focus on the learning of the children and ensure progress over time has been secured.

##### **Silver End Academy**

The measured outcomes for Silver End are broadly in line with national expectation. This is a sound outcome, given the need for change in both the learning outcomes and the quality of the teaching staff in the school. Although the outcomes have shown a balance against National Outcomes, our expectation is that the school is still under achieving. Changes have been made to the leadership team of the school and the teaching staff.

#### **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 Academy**

Learning in KS2 is showing currently, RI. There are current inconsistencies in the management of the behaviour in Year 3 and 4.

KS1 is showing sustained learning in EYFS with more work needed to be secured in Year 1 and 2. There is no inadequate learning.

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Iceni Academy**

The majority of learning is good and better. There is no inadequate learning. The school will develop more creativity in learning for the children as the year progresses.

##### **Powers Hall Academy**

The majority of the learning ranges between just RI+ and good, with two staff being outstanding. There is no inadequate learning.

##### **Templars Academy**

**Key Stage 2** The learning in one class is RI-; with one being are RI+ one should move to Good over time. The remainder are Good.

**Key Stage 1** learning is between RI and Good in KS1 and needs to improve through a mixture of coaching and higher expectation.

**EYFS**- Currently this provision is Good+.

Across the MAT the learning is on track to be Good by the end of the academic year. Where there is weak learning, individual programmes are in place and these will be followed by competency/capability processes if necessary.

Learning in all five schools will continue to be a priority for monitoring and evaluation in 2019-20 and beyond.

##### **Work across the MAT**

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

- Introduction to Balance assessment systems to all headteachers
- Portfolios set up in all schools by all staff to assess progress
- MAT Behaviour Lead moved to Templars as Assistant Head but completed outreach to Silver End and Cherry Tree
- Governing Bodies disbanded and Link Trustees established for all schools.
- SEN meetings across MAT, organised by Lead SENCo
- Development of new Connected Curriculum
- Work across Iceni and Powers Hall to achieve the Primary Science award in both schools.
- Sports events organised across all schools.

##### **Development of staff**

- Sessions with Leah Goulding in all schools looking at Curriculum
- Three SCITT students achieved NQT status
- Two apprentices finished Chelmsford college training and started university courses.
- SEN training for all LSAs and apprentices.

## **Connected Learning**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### *Key financial performance indicators*

Most of the Trust's income is obtained from the DfE/EFSA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFSA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2019 total expenditure of £7,629,295 was entirely covered by recurrent grant funding from the DfE/EFSA together with other incoming resources. The excess of income over expenditure for the year (excluding fixed asset funds and pension costs) was £71,230.

At 31st August 2019 the net book value of fixed assets was £9,824,533 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 FRS17.

##### *Going concern*

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

##### **Financial review**

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it receives from the ESFA. For the year 1st September 2018 to 31st August 2019, the Trust received £5,159,664 in GAG funding. A high percentage of this funding is spent on wages and support costs to deliver the Trust's primary objective of the provision of high quality teaching and learning.

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### *Reserves policy*

Trustees review the reserve levels of each Academy at each Audit, Finance & Premises Committee meeting. The annual budget setting examines the income and expenditure streams, the need to match income with commitments and the nature of any potential reserve. The policy is to retain sufficient funds to ensure the integrity of next year's budget and thereafter to ensure surplus funds are used to the benefit of existing pupils.

The Trust's 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, Trustees have a clear plan for how it will be used to benefit the pupils.

The financial surplus for 2017-18 was primarily earmarked for essential spend in 2018-19. Any in-year savings made were allocated to the 'Recovery Plan' to support future years. We ended 2018-19 with an 'in-year' surplus which is in addition to the total carry forward from 2017-18.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £551,613 and restricted general reserves of £112,184. At 31st August 2019 the total funds comprised:

Unrestricted - £551,613

Restricted General Fund - £112,184

Fixed Asset Fund Deficit - £9,915,157

Restricted Pension Reserve - £4,287,000.

##### *Investment policy*

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

- Objectives
- Risk
- Type of investment and term
- Trust'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 Members, Trustees, 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.

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### *Principal risks and uncertainties*

Government Funding and Financial – The Trust is essentially reliant on the continued Government funding from the ESFA/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.

Some of the other current uncertainties include:

- The demand for 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 Trust's 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 Trust's ability to check
- Future Plans – 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 to join the MAT with the support of the Local Authority and the Regional Schools Commissioner.

We are aware of a potential deficit in future years although the budget for 2019/20 is balanced. Various measures to address these issues have been considered by Trustees and reported accordingly to the ESFA:

- To increase the number of academies in line with the above Trust strategy
- To offer an appropriate and relevant curriculum matched to the individual needs and capabilities of the Trust's pupils
- To provide high quality teaching and learning 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 within the Trust
- To strive to ensure that all MAT schools achieve at least a judgement of Good by Ofsted
- To increase pupil numbers across all academies

## Connected Learning

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Employment of disabled persons

These policies are to be found in the following:-

- Recruitment Policy
- Employment of Disabled Persons Guidance
- Equality & Diversity in Employment Policy
- Performance Management Policy

#### *Description of employee consultation*

At a MAT level the CEO/Executive Headteacher and the CLO/Executive Headteacher held regular meetings with the Heads of Schools within the MAT to keep them abreast of plans, processes and procedures. Admin teams were supported by the Business Centre staff.

At a School level, all policies due for renewal or approval that affect staff directly or indirectly are displayed on notice boards and staff are invited to comment upon same. Regular staff meetings are held to update staff on forthcoming matters that may affect them. Policies are available for staff upon request from within school offices and on the Trust website.

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

The Charitable Company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors and external funding agencies. Connected Learning holds funds at year end for the teaching school. At the year end the funds held were £9,057.

#### Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on ..... and signed on its behalf by:

.....  
Rowland Costin  
Trustee

## Connected Learning

### Governance Statement

#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Connected Learning 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 Trustees have delegated the day-to-day responsibility to Jane Bass, 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 and the Secretary of State for Education. She is also responsible for reporting to the 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 Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Rowland Costin	6	6
Jane Bass	6	6
Susan Sings	6	6
Nick Redfern	5	6
Claire Brazier	6	6
Bruce Tuxford	4	6
Don Burton	5	6
Simon Webb	6	6

There have been no changes to the Board this year and the Trustees are actively looking to add to the Board in general and hoping to appoint additional Trustees during the 2019/2020 academic year. The Board extensively monitors the activity of the Trust throughout all its aspects.

The Board have noted the continuing financial challenges this year and we are in the second year of our recovery programme which has been successful to end the year on a balanced budget. The finances are monitored by the Chair of the Board, the Finance Team and the Audit, Finance & Premises Committee very closely every month and are satisfied with the quality of the data provided by the Finance Team which is rigorously examined.

The employment of the CLO has continued to successfully lead to a raising of standards across the MAT, which has been proven in the improved Ofsted across the Trust.

The Audit, Finance and Premises Committee is a sub-committee of the main Governing Body. Attendance at meetings during the year was as follows:

## Connected Learning

### Governance Statement (continued)

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Susan Sings	3	4
Don Burton	3	4
Nick Redfern	3	4
Bruce Tuxford	2	4
Rowland Costin	2	4
Jane Bass	4	4
Claire Brazier	4	4

Its purpose is:

#### **Audit Responsibilities**

Ø To determine whether the performance of the external audit is satisfactory and effective and meets the requirements of the Trust

Ø To recommend to the Members the retention or replacement of the external auditor and, if the Committee recommends replacement, evaluate candidates for the appointment

Ø To review all issues related to any change of external auditor and the planned steps for an orderly transition:

Ø To review the terms of the external auditor's engagement, and the appropriateness and reasonableness of the proposed audit fees

Ø 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

Ø 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 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

Ø 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

Ø 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

## **Connected Learning**

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

Ø To develop, maintain and review the systems in place to identify and monitor major business risks; the Committee Chair will report to the Board of Trustees as appropriate on the areas of major business risk

Ø 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

Ø 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

Ø 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

Ø 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 Committee Chair may conduct the review himself or delegate responsibility to another Trustee. The review was carried out in 2016 and was deemed necessary due to the Trust centralisation programme 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, which was adopted for the Academic year 2017/18 going forward

Ø To review and recommend changes to its Terms of Reference, following completion of each annual audit.

### **Finance Responsibilities**

Ø To consider the financial aspects of particular matters specifically referred to the Committee

Ø To consider the Trust's indicative budget, notified annually by the Education Skills & Funding Agency and to assess the implications for the Trust in consultation with CEO, in advance of the year involved, drawing any matters of significance or concern to the attention of the Board of Trustees

Ø To consider and recommend acceptance or non-acceptance of the Trust's budget at the start of each financial year.

Ø To contribute to the formulation of the Trust's Improvement Plan through the consideration of financial priorities and proposals, in consultation with the CEO, with the stated and agreed aims and objectives of the Trust.

Ø 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.

Ø To agree limits of delegation and virement.

Ø 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.

Ø 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.

## **Connected Learning**

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

Ø 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.

Ø To prepare the Trustees' report to form part of the statutory accounts of the Trust and for filing in accordance with Companies' Act requirements.

### **Premises Responsibilities**

Ø To provide support and guidance for the Heads of School on all matters relating to the maintenance and development of the premises and grounds, including Health and Safety.

Ø To ensure that an annual inspection of the premises and grounds of each school takes place and a report is received identifying any issues; also to ensure that a fire safety risk assessment is carried out on at least an annual basis.

Ø To inform the Board of Trustees of the report and set out a proposed order of priorities for maintenance and development for its approval

Ø To monitor the costs and arrangements for maintenance, repair and redecoration within the allocated budget.

Ø To arrange professional surveys and emergency work as necessary.

Ø The CEO is authorised to commit expenditure without the prior approval of the committee in any emergency where delay would result in further damage or present a risk to the health and safety of pupils or staff.

Ø To create a project committee where necessary to oversee any major developments.

Ø To establish and keep under review an Accessibility Plan and a Building Development Plan

Ø To prepare, implement, monitor and evaluate the following policies in line with the appropriate legislation, reporting back to the Board of Trustees:

- Health, Safety and Welfare Policy
- Accessibility Policy and Action Plan
- Disability Equality Scheme and Action Plan
- Charges & Remissions Policy
- Lettings Policy (where relevant)

Ø To ensure that the Board's responsibilities regarding litter, refuse and dog excrement are discharged according to Section 89 of the Environmental Protection Act 1990, so far as is practicable.

Ø To consider and make recommendations on risk management and insurance arrangements in regard to vandalism and other matters relating to the premises

## Connected Learning

### Governance Statement (continued)

It should be noted that, due to the level of work taking place at the Audit, Finance and Premises Committee, Personnel became its own separate sub-committee of the Board, chaired by Bruce Tuxford. Its purpose is:-

#### Personnel Responsibilities

Ø 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

Ø To monitor compliance with those policies and procedure.

Ø To ensure that recruitment of staff is undertaken in accordance with the processes laid out in the Connected Learning Recruitment Policy

Ø To monitor performance management with delegated powers being passed to the CEO/Executive Headteacher(s) and Heads of School

Ø To consider applications for early retirement, secondments or leave of absence

Ø To authorise and monitor expenditure with the staffing budgets.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Susan Sings	2	2
Don Burton	1	2
Bruce Tuxford	2	2
Rowland Costin	1	2
Jane Bass	2	2
Claire Brazier	2	2

#### Standards Responsibilities

Its purpose is to:

Ø To strategically ensure that curriculum developments across and within Connected Learning academies are developed with reference to national and international developments to ensure that our provision has the potential to promote engagement and achievement for all our learners.

Ø To develop common MAT policies and strategies to bring increasing consistency for the effective delivery of pupil outcomes.

Ø To receive and review Connected Learning policies and strategies for curriculum, teaching, learning, assessment, marking and presentation annually, ensuring these are contingent with local policies as appropriate.

## Connected Learning

### Governance Statement (continued)

Ø To hold Connected Learning academies to account with regards to strategies and interventions for vulnerable, SEN(D), middle ability and more able pupils in order to close gaps and improve attainment and achievements.

Ø To ensure that target setting, informal and formal monitoring, and effective evaluation takes place and next step outcomes are followed through.

Ø To monitor the progress, attainment and achievement of Connected Learning MAT Pupils from Early Years to KS2 across the five disciplines. (point 3)

Ø To monitor and review policies and practices annually to ensure that academic and behaviour standards are improved.

Ø To receive comprehensive HT reports, aligned similarly, from each LGB to include the evaluation of learning, teaching and the monitoring of the curriculum, pupil progress and pupil achievement, with copies of minutes of LGB committees as required.

Ø To recommend to the Board of Trustees for approval any Connected Learning policy that reinforces the scope of the work undertaken by the Standards Committee in raising pupil outcomes.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Susan Sings	6	6
Don Burton	6	6
Simon Webb	6	6
Bruce Tuxford	6	6
Jane Bass	5	6

### Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

### 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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connected Learning for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

## **Connected Learning**

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

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

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

#### **The risk and control framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit, Finance and Premises 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:

- The Board of Trustees had considered the need for a specific internal audit function and continued to appoint Juniper Education (formerly EESforSchools) as its internal auditor for 2018/19.
- However, the Trustees have appointed Edmund Carr LLP as the external auditor for 18/19

## **Connected Learning**

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

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

#### **Governance and Financial Management**

- Board of Trustees' review and approval of the written Scheme of Delegation of Financial Powers supported by a minute of a board meeting
- Specimen signatory list
- Board of Trustees' review of the Terms of Reference for the Audit, Finance & Premises Committee and any other committee with financial responsibility, supported by a minute of a board / governing body meeting
- Board of Trustees' approval of the Trust's budget, supported by a minute of a board meeting
- forward financial plan
- a list of current Members and Trustees /Governors relevant to the Trust
- Register of Interests
- Minutes confirming the opportunity to declare business interests for ALL Board / Governing Body 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 Trust's internal controls and financial procedures
- 2018/19 published audited accounts
- most recent statutory Auditor's Management Letter

#### **Governance & Financial Reporting**

- reconciliation of the 2018/19 budget approved by Trustees to the budget entered / 'fixed' on the Trust's financial accounting system
- authorisation to support 'in year' amendments to the budget approved by Trustees (virements)
- financial reporting to Trustees/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
- 2016/17 published audited accounts
- most recent statutory Auditor's Management Letter

#### **Banking**

- list of bank and building society accounts held by the Trust
- Board 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

## **Connected Learning**

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

#### **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 Trust'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 (EFSA 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.

For 2018/19, on a termly basis, the internal auditor reports to the individual schools and through them to the Board of Trustees, via the Audit, Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

#### **Review of effectiveness**

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

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

## Connected Learning

### Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and General Purposes 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 Governing Body on ..... and signed on its behalf by:

.....  
Rowland Costin  
Trustee

.....  
Jane Bass  
Accounting officer  
Trustee

## **Connected Learning**

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

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

I confirm that I and the 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 2018.

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

.....  
Jane Bass  
Accounting officer

Date:.....

## Connected Learning

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Board of Trustees on ..... and signed on its behalf by:

.....  
Rowland Costin  
Trustee

## **Connected Learning**

### **Independent Auditor's 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 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

#### **Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)**

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 auditor's 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.

## **Connected Learning**

### **Independent Auditor's Report on the Financial Statements to the Members of Connected Learning (continued)**

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 Strategic Report and Trustees' Report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 27], the Trustees 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.

#### **Auditor's 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 auditor's 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.

## Connected Learning

### Independent Auditor's Report on the Financial Statements to the Members of Connected Learning (continued)

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

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

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

#### Use of our report

This report is made solely to the Academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy trust's members those matters we are required to state to them in an auditor's 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.

.....  
Thomas York (Senior Statutory Auditor)  
For and on behalf of Edmund Carr LLP, Statutory Auditor  
146 New London Road  
Chelmsford  
Essex  
CM2 0AW  
Date:.....

## **Connected Learning**

### **Independent Reporting Accountant's Report on Regularity to Connected Learning and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 31 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connected Learning during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Connected Learning and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may 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 the Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Trust's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the committees and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

## **Connected Learning**

### **Independent Reporting Accountant's Report on Regularity to Connected Learning and the Education & 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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....

Thomas York

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road

Chelmsford

Essex

CM2 0AW

Date:.....

## Connected Learning

### Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	-	-	206,690	206,690
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,403,286	-	6,403,286
Teaching school	26	-	84,240	-	84,240
Other trading activities	4	20,232	329,789	-	350,021
Investments	5	580	-	-	580
Total		<u>20,812</u>	<u>6,817,315</u>	<u>206,690</u>	<u>7,044,817</u>
<b>Expenditure on:</b>					
Raising funds	6	3,392	42,873	-	46,265
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	7,074,966	401,034	7,476,000
Teaching school	26	-	107,030	-	107,030
Total		<u>3,392</u>	<u>7,224,869</u>	<u>401,034</u>	<u>7,629,295</u>
Net income/(expenditure)		17,420	(407,554)	(194,344)	(584,478)
Transfers between funds		-	(14,636)	14,636	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	24	-	(708,000)	-	(708,000)
Net movement in funds/(deficit)		17,420	(1,130,190)	(179,708)	(1,292,478)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		<u>534,193</u>	<u>(3,044,626)</u>	<u>10,094,865</u>	<u>7,584,432</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>551,613</u>	<u>(4,174,816)</u>	<u>9,915,157</u>	<u>6,291,954</u>

## Connected Learning

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	-	-	225,825	225,825
Transfer from local authority on conversion		394,170	-	1,791,112	2,185,282
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,295,720	-	6,295,720
Teaching school		-	122,462	-	122,462
Other trading activities	4	20,341	316,371	-	336,712
Investments	5	501	-	-	501
Total		<u>415,012</u>	<u>6,734,553</u>	<u>2,016,937</u>	<u>9,166,502</u>
<b>Expenditure on:</b>					
Raising funds	6	1,721	39,452	-	41,173
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	7,510,389	344,606	7,854,995
Teaching school	26	-	134,960	-	134,960
Total		<u>1,721</u>	<u>7,684,801</u>	<u>344,606</u>	<u>8,031,128</u>
Net income/(expenditure)		413,291	(950,248)	1,672,331	1,135,374
Transfers between funds		(252,574)	424,149	(171,575)	-
<b>Other recognised gains and losses</b>					
Opening defined benefit pension scheme liability		-	(745,000)	-	(745,000)
Actuarial gains on defined benefit pension schemes	24	-	766,000	-	766,000
Net movement in funds/(deficit)		160,717	(505,099)	1,500,756	1,156,374
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		<u>373,476</u>	<u>(2,539,527)</u>	<u>8,594,109</u>	<u>6,428,058</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>534,193</u>	<u>(3,044,626)</u>	<u>10,094,865</u>	<u>7,584,432</u>

## Connected Learning

(Registration number: 08579939)  
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	9,824,533	10,052,830
<b>Current assets</b>			
Stocks	13	2,104	2,104
Debtors	14	148,194	231,482
Cash at bank and in hand		<u>1,171,093</u>	<u>795,490</u>
		1,321,391	1,029,076
Creditors: Amounts falling due within one year	15	<u>(566,970)</u>	<u>(394,474)</u>
Net current assets		<u>754,421</u>	<u>634,602</u>
Total assets less current liabilities		<u>10,578,954</u>	<u>10,687,432</u>
Net assets excluding pension liability		10,578,954	10,687,432
Pension scheme liability	24	<u>(4,287,000)</u>	<u>(3,103,000)</u>
Net assets including pension liability		<u><u>6,291,954</u></u>	<u><u>7,584,432</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		112,184	58,374
Restricted fixed asset fund		9,915,157	10,094,865
Restricted pension fund		<u>(4,287,000)</u>	<u>(3,103,000)</u>
		5,740,341	7,050,239
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>551,613</u>	<u>534,193</u>
Total funds		<u><u>6,291,954</u></u>	<u><u>7,584,432</u></u>

The financial statements on pages 33 to 61 were approved by the Trustees, and authorised for issue on .....  
and signed on their behalf by:

.....  
Rowland Costin  
Trustee

## Connected Learning

### Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	318,731	1,763,215
Cash flows from investing activities	21	<u>56,872</u>	<u>(1,640,174)</u>
Change in cash and cash equivalents in the year		375,603	123,041
Cash and cash equivalents at 1 September		<u>795,490</u>	<u>672,449</u>
Cash and cash equivalents at 31 August	22	<u><u>1,171,093</u></u>	<u><u>795,490</u></u>

## **Connected Learning**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **1 Accounting policies**

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

#### **Basis of preparation**

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### *Sponsorship income*

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### *Donations*

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

##### *Other income*

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### *Donated goods, facilities and services*

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### *Transfer on conversion*

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

##### *Donated fixed assets*

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### **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.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

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

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land and buildings	2% straight Line
Leasehold improvements	2-10% straight line
Fixtures and fittings	10% straight line
Computer equipment	33% straight line

#### **Liabilities**

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

#### **Provisions**

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

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

#### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

#### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

#### **Taxation**

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

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

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### **Pension benefits**

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

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

##### **Fund accounting**

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

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

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

##### **Critical accounting estimates and areas of judgement**

Estimates and judgements 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.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### *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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 2 Donations and capital grants

	<b>Restricted fixed asset funds £</b>	<b>2018/19 Total £</b>	<b>2017/18 Total £</b>
<b>Other voluntary income</b>			
Capital grants	203,285	203,285	225,825
Donated fixed assets	3,405	3,405	-
	<u>206,690</u>	<u>206,690</u>	<u>225,825</u>

#### 3 Funding for the Academy Trust's educational operations

	<b>Restricted funds £</b>	<b>2018/19 Total £</b>	<b>2017/18 Total £</b>
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	5,159,664	5,159,664	5,012,269
Other DfE/ESFA grants	437,150	437,150	499,648
Pupil premium	587,864	587,864	628,848
Start up grants	-	-	25,000
	<u>6,184,678</u>	<u>6,184,678</u>	<u>6,165,765</u>
<b>Other government grants</b>			
Other government grants	218,608	218,608	129,955
Total grants	<u>6,403,286</u>	<u>6,403,286</u>	<u>6,295,720</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	5,541	-	5,541	7,629
Catering income	-	148,566	148,566	153,543
Uniform	1,771	-	1,771	4,746
Nursery income	-	93,365	93,365	75,980
Other income	7,995	22,894	30,889	29,792
Educational trips	-	64,964	64,964	65,022
Rental income	4,925	-	4,925	-
	<u>20,232</u>	<u>329,789</u>	<u>350,021</u>	<u>336,712</u>

#### 5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	<u>580</u>	<u>580</u>	<u>501</u>

#### 6 Expenditure

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	46,265	46,265	41,173
<b>Academy's educational operations</b>					
Direct costs	3,757,134	-	58,349	3,815,483	4,290,440
Allocated support costs	1,877,603	730,522	1,052,392	3,660,517	3,564,555
Teaching School	<u>-</u>	<u>-</u>	<u>107,030</u>	<u>107,030</u>	<u>134,960</u>
	<u>5,634,737</u>	<u>730,522</u>	<u>1,264,036</u>	<u>7,629,295</u>	<u>8,031,128</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Fees payable to auditor - audit	16,500	16,000
- other audit services	1,000	1,000

#### 7 Charitable activities

	2018/19 £	2017/18 £
Direct costs - educational operations	3,815,483	4,290,440
Support costs - educational operations	3,660,517	3,564,555
	<u>7,476,000</u>	<u>7,854,995</u>

	Educational operations £	2018/19 Total £	2017/18 Total £
<b>Analysis of support costs</b>			
Support staff costs	1,877,603	1,877,603	1,502,532
Depreciation	375,290	375,290	344,606
Premises costs	355,232	355,232	541,183
Other support costs	922,112	922,112	1,077,349
Governance costs	130,280	130,280	98,885
Total support costs	<u>3,660,517</u>	<u>3,660,517</u>	<u>3,564,555</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 8 Staff

##### Staff costs

	2018/19 £	2017/18 £
<b>Staff costs during the year were:</b>		
Wages and salaries	4,517,764	4,546,723
Social security costs	327,313	359,641
Operating costs of defined benefit pension schemes	770,735	752,810
	<u>5,615,812</u>	<u>5,659,174</u>
Supply staff costs	18,925	380
Staff restructuring costs	-	12,245
	<u>5,634,737</u>	<u>5,671,799</u>
		<b>2018 £</b>
<b>Staff restructuring costs comprise:</b>		
Other restructuring costs		<u>12,245</u>

##### Staff numbers

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

	2018/19 No	2017/18 No
<b>Charitable Activities</b>		
Teachers	54	56
Administration and support	169	188
Management	24	26
	<u>247</u>	<u>270</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	1	-
£90,001 - £100,000	2	2
	<u>2</u>	<u>2</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 8 Staff (continued)

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £315,039 (2018: £299,368).

#### 9 Central services

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

- the balance in central services at the end of the current and prior year has been split between the 5 schools based on pupils as shown below. There were also central staffing costs that were apportioned during the year.

The actual amounts charged during the year were as follows:

	2019/18	2018/17
	£	£
Cherry Tree Primary School	19,400	6,996
Iceni Academy	21,318	8,291
Powers Hall Academy	34,642	12,213
Silver End Academy	33,363	12,416
Templars Academy	34,109	14,559
	<u>142,832</u>	<u>54,475</u>

#### 10 Related party transactions - trustees' remuneration and expenses

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

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 10 Related party transactions - trustees' remuneration and expenses (continued)

Jane Bass (Executive Headteacher):

Remuneration: £95,000 - £100,000 (2018 - £95,000 - £100,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

Claire Brazier (Chief Operations Officer):

Remuneration: £60,000 - £65,000 (2018 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £5,000 - £10,000)

Simon Webb (Chief Learning Officer):

Remuneration: £90,000 - £95,000 (2018 - £90,000 - £95,000)

Employer's pension contributions: £Nil (2018 - £Nil)

During the year ended 31 August 2019, travel and subsistence expenses totalling £270 (2018 - £890) were reimbursed or paid directly to 1 trustees (2018 - 1).

Other related party transactions involving the trustees are set out in note 25.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 2019 was £Nil (2018 - £Nil).

The cost of this insurance is included in the total insurance cost.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 12 Tangible fixed assets

	<b>Leasehold land and buildings £</b>	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2018	9,987,206	863,609	319,121	11,169,936
Additions	123,372	627	22,994	146,993
Disposals	-	-	(88,000)	(88,000)
At 31 August 2019	<u>10,110,578</u>	<u>864,236</u>	<u>254,115</u>	<u>11,228,929</u>
<b>Depreciation</b>				
At 1 September 2018	650,489	197,010	269,607	1,117,106
Charge for the year	239,047	86,207	50,036	375,290
Eliminated on disposals	-	-	(88,000)	(88,000)
At 31 August 2019	<u>889,536</u>	<u>283,217</u>	<u>231,643</u>	<u>1,404,396</u>
<b>Net book value</b>				
At 31 August 2019	<u>9,221,042</u>	<u>581,019</u>	<u>22,472</u>	<u>9,824,533</u>
At 31 August 2018	<u>9,336,717</u>	<u>666,599</u>	<u>49,514</u>	<u>10,052,830</u>

#### 13 Stock

	<b>2019 £</b>	<b>2018 £</b>
Catering	<u>2,104</u>	<u>2,104</u>

#### 14 Debtors

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	2,432	6,653
VAT recoverable	10,156	52,646
Prepayments	<u>135,606</u>	<u>172,183</u>
	<u>148,194</u>	<u>231,482</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Creditors: amounts falling due within one year

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	38,249	127,393
Other taxation and social security	88,613	85,881
Accruals and deferred income	<u>440,108</u>	<u>181,200</u>
	<u>566,970</u>	<u>394,474</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2018	(90,382)	(77,921)
Resources deferred in the period	(397,755)	(90,382)
Amounts released from previous periods	<u>90,382</u>	<u>77,921</u>
Deferred income at 31 August 2019	<u>(397,755)</u>	<u>(90,382)</u>

Deferred income includes grants received in advance for Universal Infant Free School meals, capital grants received in advance and Rates relief.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 16 Funds

	<b>Balance at 1 September 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains, losses and transfers</b>	<b>Balance at 31 August 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,159,664	(5,041,901)	(14,636)	103,127
Start up grants	26,527	-	(26,527)	-	-
Other DfE/ESFA grants	-	437,150	(437,150)	-	-
Pupil premium	-	587,864	(587,864)	-	-
Other government grants	-	218,608	(218,608)	-	-
Other generated funds	-	329,789	(329,789)	-	-
Teaching Alliance	31,847	84,240	(107,030)	-	9,057
	<u>58,374</u>	<u>6,817,315</u>	<u>(6,748,869)</u>	<u>(14,636)</u>	<u>112,184</u>
<b>Restricted fixed asset funds</b>					
Assets held for depreciation	10,052,833	113,608	(356,544)	14,636	9,824,533
Devolved capital formula	42,032	93,082	(44,490)	-	90,624
	10,094,865	206,690	(401,034)	14,636	9,915,157
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,103,000)</u>	-	<u>(476,000)</u>	<u>(708,000)</u>	<u>(4,287,000)</u>
Total restricted funds	7,050,239	7,024,005	(7,625,903)	(708,000)	5,740,341
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>534,193</u>	<u>20,812</u>	<u>(3,392)</u>	-	<u>551,613</u>
Total funds	<u><u>7,584,432</u></u>	<u><u>7,044,817</u></u>	<u><u>(7,629,295)</u></u>	<u><u>(708,000)</u></u>	<u><u>6,291,954</u></u>

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

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 16 Funds (continued)

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,012,270	(5,012,270)	-	-
Start up grants	65,128	25,000	(487,750)	424,149	26,527
Other DfE/ESFA grants	-	668,376	(668,376)	-	-
Pupil premium	-	628,848	(628,848)	-	-
Other government grants	-	27,757	(27,757)	-	-
Other generated funds	-	249,840	(249,840)	-	-
Teaching Alliance	44,345	46,000	(58,498)	-	31,847
Teaching Alliance - Grant Funded	-	76,462	(76,462)	-	-
	<u>109,473</u>	<u>6,734,553</u>	<u>(7,209,801)</u>	<u>424,149</u>	<u>58,374</u>
<b>Restricted fixed asset funds</b>					
Assets held for depreciation	8,530,936	1,791,112	(344,606)	75,391	10,052,833
Devolved capital formula	45,207	35,297	-	(38,472)	42,032
Capital grants	17,966	190,528	-	(208,494)	-
	<u>8,594,109</u>	<u>2,016,937</u>	<u>(344,606)</u>	<u>(171,575)</u>	<u>10,094,865</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,649,000)</u>	-	<u>(475,000)</u>	<u>21,000</u>	<u>(3,103,000)</u>
Total restricted funds	6,054,582	8,751,490	(8,029,407)	273,574	7,050,239
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>373,476</u>	<u>415,012</u>	<u>(1,721)</u>	<u>(252,574)</u>	<u>534,193</u>
Total funds	<u>6,428,058</u>	<u>9,166,502</u>	<u>(8,031,128)</u>	<u>21,000</u>	<u>7,584,432</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 16 Funds (continued)

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.

The Teaching Alliance funds are applied to deal with incoming resources that are ear marked for the teaching school.

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 2019.

The transfer of £14,636 represents capital expenditure funded from revenue.

#### Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Cherry Tree Primary School	16,812	13,837
Iceni Academy	(54,589)	(76,805)
Powers Hall Academy	578,846	339,859
Silver End Academy	(17,577)	157,359
Templars Academy	131,248	126,470
Central services - DFC	90,624	42,032
Teaching school	9,057	31,847
Total before fixed assets and pension reserve	754,421	634,599
Assets held for depreciation	9,824,533	10,052,833
Pension reserve	(4,287,000)	(3,103,000)
Total	<u>6,291,954</u>	<u>7,584,432</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 16 Funds (continued)

The Trustees are aware of the deficits in Icen Academy and Silver End Academy and are implementing changes.

Icen Academy has a net deficit of £54,589 on these funds at 31 August 2019. Icen Academy was in a deficit at 31 August 2018 due to additional capital expenditure that was unexpected. The deficit has reduced this year as the Academy is now starting to see the benefits of a centralised operation and spending, as well as rigorous staff re-organization.

Silver End Academy has a net deficit of £17,577 on these funds at 31 August 2019. Silver End is the newest academy in Connected Learning, joining in the 2017/2018 financial year, and the expenditure levels are still high since converting to an academy. The MAT is expecting that the Silver End Academy will see a benefit from being in the MAT in the coming years with reduced costs.

#### Analysis of academies by cost

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

	<b>Teaching and Educational Support Staff Costs £</b>	<b>Other Support Staff Costs £</b>	<b>Educational Supplies £</b>	<b>Other Costs (excluding Depreciation) £</b>	<b>Total 2019 £</b>
Cherry Tree Primary School	576,739	270,072	5,108	184,311	1,036,230
Icen Academy	558,247	253,059	4,486	201,466	1,017,258
Powers Hall Academy	725,879	412,597	10,253	279,138	1,427,867
Silver End Academy	926,004	438,740	7,799	313,630	1,686,173
Templars Academy	970,265	500,005	3,416	315,898	1,789,584
Central services	-	3,130	1,862	291,901	296,893
Academy Trust	<u>3,757,134</u>	<u>1,877,603</u>	<u>32,924</u>	<u>1,586,344</u>	<u>7,254,005</u>
				<b>Total</b>	
					<b>2018</b>
					<b>£</b>
Cherry Tree Primary School					1,078,333
Icen Academy					1,314,664
Powers Hall Academy					1,508,444
Silver End Academy					1,682,707
Templars Academy					1,819,592
Central services					282,782
Academy Trust					<u>7,686,522</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	9,824,533	9,824,533
Current assets	551,613	679,154	90,624	1,321,391
Current liabilities	-	(566,970)	-	(566,970)
Pension scheme liability	-	(4,287,000)	-	(4,287,000)
Total net assets	<u>551,613</u>	<u>(4,174,816)</u>	<u>9,915,157</u>	<u>6,291,954</u>

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

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	10,052,830	10,052,830
Current assets	534,193	452,848	42,035	1,029,076
Current liabilities	-	(394,474)	-	(394,474)
Pension scheme liability	-	(3,103,000)	-	(3,103,000)
Total net assets	<u>534,193</u>	<u>(3,044,626)</u>	<u>10,094,865</u>	<u>7,584,432</u>

#### 18 Capital commitments

	<b>2019 £</b>
Contracted for, but not provided in the financial statements	<u>73,066</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 19 Commitments under operating leases

##### *Operating leases*

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	23,333	11,309
Amounts due between one and five years	18,684	6,250
	<u>42,017</u>	<u>17,559</u>

#### 20 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	<b>2018/19</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income	(584,478)	1,135,374
Depreciation	375,290	344,606
Capital grants from DfE and other capital income	(203,285)	(225,825)
Interest receivable	(580)	(501)
Defined benefit pension scheme cost less contributions payable	476,000	475,000
Decrease in debtors	83,288	54,905
Increase/(decrease) in creditors	172,496	(20,344)
Net cash provided by Operating Activities	<u>318,731</u>	<u>1,763,215</u>

#### 21 Cash flows from investing activities

	<b>2018/19</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments	580	501
Purchase of tangible fixed assets	(146,993)	(1,866,500)
Capital funding received from sponsors and others	203,285	225,825
Net cash provided by/(used in) investing activities	<u>56,872</u>	<u>(1,640,174)</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,171,093	795,490
Total cash and cash equivalents	<u>1,171,093</u>	<u>795,490</u>

#### 23 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.

#### 24 Pension and similar obligations

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

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

Contributions amounting to £28,559 (2018: £22,779) were payable to the schemes at 31 August and are included within creditors.

##### Teachers' Pension Scheme

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

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

##### 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.

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 24 Pension and similar obligations (continued)

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)
- 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%.

The TPS valuation for 2012 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £361,439 (2018: £382,317).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £535,000 (2018 - £479,000), of which employer's contributions totalled £421,000 (2018 - £374,000) and employees' contributions totalled £114,000 (2018 - £105,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	<u>1.90</u>	<u>2.70</u>

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

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 24 Pension and similar obligations (continued)

	2019	2018
<b>Retiring today</b>		
Males retiring today	21.30	22.30
Females retiring today	23.60	24.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.00	24.50
Females retiring in 20 years	<u>25.40</u>	<u>27.10</u>
<b>Sensitivity analysis</b>		
	2019	2018
	£	£
Discount rate +0.1%	7,231,000.00	5,383,000.00
Discount rate -0.1%	7,624,000.00	5,672,000.00
Mortality assumption – 1 year increase	7,701,000.00	5,703,000.00
Mortality assumption – 1 year decrease	7,158,000.00	5,353,000.00
CPI rate +0.1%	7,600,000.00	5,655,000.00
CPI rate -0.1%	<u>7,254,000.00</u>	<u>5,401,000.00</u>

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

	2019	2018
	£	£
Equities	1,977,000	1,543,000
Gilts	173,000	129,000
Other bonds	177,000	142,000
Property	252,000	216,000
Cash and other liquid assets	91,000	83,000
Other	<u>468,000</u>	<u>310,000</u>
Total market value of assets	<u>3,138,000</u>	<u>2,423,000</u>

The actual return on scheme assets was £222,000 (2018 - £129,000).

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 24 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2018/19	2017/18
	£	£
Current service cost	842,000	765,000
Interest cost	75,000	84,000
Total amount recognized in the SOFA	<u>917,000</u>	<u>849,000</u>

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

	2018/19	2017/18
	£	£
At start of period	5,526,000	3,963,000
Conversion of academy trusts	-	1,259,000
Current service cost	722,000	770,000
Interest cost	149,000	137,000
Employee contributions	114,000	105,000
Actuarial (gain)/loss	858,000	(700,000)
Benefits paid	(42,000)	(8,000)
Past service cost	98,000	-
At 31 August	<u>7,425,000</u>	<u>5,526,000</u>

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

	2018/19	2017/18
	£	£
At start of period	2,423,000	1,314,000
Conversion of academy trusts	-	514,000
Interest income	72,000	53,000
Actuarial gain/(loss)	150,000	71,000
Employer contributions	421,000	374,000
Employee contributions	114,000	105,000
Benefits paid	(42,000)	(8,000)
At 31 August	<u>3,138,000</u>	<u>2,423,000</u>

## Connected Learning

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year costs of £2,500 (2018: £2,500) were incurred for professional services from NCR Services, a company Mr N C Redfern is connected to. The services were provided at cost and no amounts were outstanding as at 31 August 2019 (2018: £nil).

In entering into the transactions above, the trust has complied with the requirements of the Academies Financial Handbook 2018.

#### 26 Teaching school trading account

	2018/19 £	2017/18 £
<b>Income</b>		
<b>Other Income</b>		
Fundraising and other trading activities	84,240	122,462
Total Income	<u>84,240</u>	<u>122,462</u>
<b>Expenditure</b>		
<b>Direct costs</b>		
Other direct costs	104,672	132,775
<b>Other costs</b>		
Other support costs	<u>2,358</u>	<u>2,185</u>
Total Expenditure	<u>(107,030)</u>	<u>(134,960)</u>
Deficit from all sources	(22,790)	(12,498)
Teaching school balances at 1 September 2018	<u>31,847</u>	<u>44,345</u>
Teaching school balances at 31 August 2019	<u><u>9,057</u></u>	<u><u>31,847</u></u>