

CONNECTED LEARNING
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2015

CONNECTED LEARNING
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 16
Statement on regularity, propriety and compliance	17
Trustees' responsibilities statement	18
Independent auditors' report	19 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities	23
Balance sheet	24 - 25
Cash flow statement	26
Notes to the financial statements	27 - 48

CONNECTED LEARNING
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Members	Jane Bass (resigned 6 January 2015) ¹ Alison Fiala (resigned 1 August 2015) ³ Rod Lane ^{1,3} Nick Redfern (resigned 31 May 2015) ¹ Susan Sings (appointed 20 July 2015) Philip Barlow (appointed 20 July 2015)
Trustees	Susan Sings, Chair of Trustees ¹ Claire Brazier ¹ Kirsty Brown Stuart Caplen (resigned 6 January 2015) Rowland Costin ¹ Jackie Irwin (resigned 6 January 2015) ¹ Hazel Funnell (resigned 16 September 2014) ¹ Karen James (resigned 6 January 2015) Graham Lancaster (resigned 6 January 2015) Tertia Ringwood (resigned 6 January 2015) Ann Engle (resigned 6 January 2015) ^{1,2} Philip Barlow (appointed 16 March 2015) Don Burton (appointed 1 June 2015) Simon Carter (appointed 16 March 2015) Trenica King (appointed 16 March 2015) Anthony Welch (appointed 25 June 2015) Jane Bass Nick Redfern Alison Fiala

¹ Finance Personnel and Audit Committee

² non-voting

³ Member and Trustee

Company registered number	08579939
Principal and registered office	Powers Hall Academy Spa Road Witham Essex CM8 1NA
Company secretary	Claire Brazier
Senior management team	Jane Bass, Principal Kirsty Brown, Deputy Principal
Independent auditors	Williams Giles Limited Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank 77-81 High Street Chelmsford Essex CM8 1DU

CONNECTED LEARNING
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Administrative details (continued)

Solicitors	Brait Ltd 67 Lapins Lane Kingshill Kent ME19 4LE
-------------------	--

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report
For the year ended 31 August 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Connected Learning (the academy) for the ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates 1 primary/secondary/special academies in Essex. Its academies have a combined pupil capacity of 360 and had a roll of 277 in the school census on 21st May 2015.

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

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

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

e. Organisational structure

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

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

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

and staff appointments.

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

f. Connected organisations, including related party relationships

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

Connected Learning has been working closely with both Cherry Tree County Primary School and Kings Ford Junior School, both schools joined the Trust on 1 September 2015

g. Risk management

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. Trustees' indemnities

The Academy Trust maintains Trustees' liability insurance which gives appropriate cover up to £5,000,000 for any legal action brought against its Trustees.

Objectives and Activities

a. Objects and aims

The principal object and activity of the Trust is to provide education for pupils of differing abilities between the ages of 4 to 19, providing a broad based and balanced curriculum and with an emphasis on literacy and numeracy.

The aims of the MAT are:-

To provide an autonomous school-led school improvement system.

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

By the end of the academic year 2015/2016 to be a community of 5 or 6 academies with a maximum of 3 of those being requires improvement, serious weaknesses or special measures

By the end of the academic year 2017/ 2018 to be a community of a community of 10 or more academies with a maximum of 5 of those being requires improvement, serious weaknesses or special measures

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

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

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

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

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

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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

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

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

- Career pathways, promotion and research opportunities
- Continuous professional development
- Staff recruitment and retention
- Staff mobility
- Education adviser services
- Innovative technological links
- Shared resources providing economies of scale
- Collaborative procurement
- Partner status for those academies designated good or outstanding
- No costs of an executive team, as is the case with other Trusts
- Continuous review of the Board of Trustees' membership to ensure equity amongst the Trust's academies.
- The Vision is:-
- Collaborative, meaningful partnerships
- Outstanding leadership
- Nurturing Environments where children feel safe and feel to learn
- Networks, forging links across the communities
- Equality of opportunities in inclusive schools
- Culture of continuous professional development for all members, trustees, governors and staff
- Tolerance and respect for everyone
- Effective teaching and learning
- Dedicated professionalism
- Life skills to prepare pupils for the future
- Every Child Matters
- Aspirational, active learners, enjoying and achieving
- Resilience, Reciprocity, Reflectiveness, Resourcefulness, Research
- Negotiated behaviour improvement, respecting all
- Interacting with technology
- Next-steps learning
- Golden goals, gifts and talents

b. Objectives, strategies and activities

The objectives:

To provide all pupils under its umbrella with an education that enables them to fulfil their expected potential and beyond through teaching and learning that is of the highest quality.

To create learning journeys for children that are challenging socially, emotionally and academically, supporting them in this by giving them support and strategies to confidently manage the challenges.

To create learning pathways for all members of all the schools communities to demonstrate outstanding practice/learning whatever their role.

To identify potential leaders and provides the opportunities to develop this potential through collaborative practice and lead improvement.

To ensures that all teachers/leaders are given a structured and rigorous programme of development that ensures they become robust and skilled teachers/leaders, able to deliver excellence.

The strategies:

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

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

To raise the aspirations and expectations of all our pupils

To recruit and retain high quality, skilled and trained staff

To retain the judgement of outstanding by OFSTED where it exists

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

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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

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

c. Public benefit

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

Powers Hall Academy provides a forum for parents to meet with the local Housing Association to discuss their problems

Powers Hall Academy provides a forum for parents to meet with their local Member of Parliament to discuss their problems

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

Powers Hall Academy host Valley Church monthly prayer meeting.

Fund raising by pupils at Powers Hall Academy has contributed monies to the following charities:-

Children in Need

Comic Relief

Poppy Appeal

Strategic report

Achievements and performance

a. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

b. Key financial performance indicators

Most of the Academy's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

During the year ended 31 August 2015 total expenditure of £1,814,596 was entirely covered by recurrent grant funding from the DFE together with other incoming resources. The excess of income over expenditure for the year (excluding fixed asset funds and pension costs) was £104,314. At 31 August 2015 the net book value of fixed assets was £1,869,371 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.

c. Review of activities

The Trust has set up its underpinning Committee structure (an Audit Committee and a Finance, and Personnel, a Pay Committee and Pay Appeals Committee) and has monitored the performance of this over the year and will continue with this existing structure for at least one further year. This is different from the last year when we had a combined Audit, Finance and Personnel Committee. The Trust has approved a range of common policies to be followed by all schools within it and is monitoring their implementation. The Trustees have ensured the financial stability of the Trust. The Trustees have closely monitored pupil progress and achievement.

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

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

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

The compulsory evidence which will be considered in assessing performance include 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 in year:

Outstanding school - all 3 good or outstanding

Good school - all 3 good

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

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

Other evidence to be considered will be:

- b) self-assessment;
- c) professional dialogue;
- d) received feedback;

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

- e) performance management statements;
- f) CPD records.

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

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

SATs results

Powers Hall Academy:-

- Level 4+ Writing 97%
Reading 97%
Maths 97%
Combined Writing, Reading & Maths 97%
- Level 5+ Writing 49%
Reading 54%
Maths 51%
- Level 6 Grammar, Punctuation and Spelling 1 pupil
Maths 4 pupils

Improved results of other schools supported by the MAT (Outreach support etc.)

Pupil Attendance Data: Target 96% Actual attendance 96.7%

d. Investment policy and performance

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

- a) objectives
- b) risk
- c) type of investment and term
- d) academy's financial position
- e) financial limit for type of investment
- f) spreading investments between providers to ensure savings are covered by the Financial Services Authority
- g) security of access
- h) rate of return
- i) charges
- j) business interests of Governors and academy staff
- k) ethical, social and environmental considerations
- l) 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.

Financial review

a. Principal risks and uncertainties

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

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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

The demand for the Outreach Work.

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

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

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

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

Future Plans – are to increase the numbers of Academies within the MAT in a controlled manner to ensure we retain the benefits of the economies of scale as against over expansion. We anticipate Cherry Tree County Primary School and Kings Ford Junior School (to be known as Icen Academy) joining in the next year. There is the potential for other schools to join the MAT with the support of the Local Education Authority.

b. Reserves policy

Trustees review the reserve levels of each academy at each Finance and Personnel Committee meeting. The annual budget setting process examines the income and expenditure streams, the need to match income with commitments and the nature of any potential reserves. The policy is to retain sufficient to ensure the integrity of next year's budget and thereafter to ensure surplus funds are used to the benefit of existing pupils. The Financial Regulations require that if a potential surplus is identified, this may be held back as a contingency or alternatively allocated to areas of need. It is important that, if the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils. The financial surplus for 2014-2015 is primarily earmarked for essential expenditure in 2015-2016, any surplus over and above that will be used for the benefit of the children e.g. resources, specialist teachers etc.

c. Principal funding

Principle sources of funding – DFE, and Outreach Support income.

Financial Management Policies – MAT Financial Regulations, School level Financial Regulations,
See above for Reserves and Investment Policies

Plans for future periods

a. Future developments

To increase the number of Academies in the Multi Academy Trust in line with the stated strategy above.
To offer an appropriate and relevant curriculum matched to the individual needs and capabilities of the pupils
To provide a high quality learning and teaching of that curriculum that is challenging, engaging and, exciting
To raise the aspirations and expectations of all our pupils
To recruit and retain high quality, skilled and trained staff
To retain the judgement of outstanding by OFSTED where it exists
To strive to ensure that all schools within the MAT achieve at least a judgement of good by OFSTED

Funds held as custodian trustee on behalf of others

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

The Trust hold funds for the Teaching Alliance which is shown separately in the funds note.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Audit Committee recommended to the Board of Trustees that William Giles Ltd be reappointed as auditors for the year 1 September 2015 to 31 August 2016 and this was agreed by the Board at its meeting on 10 July 2015.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on _____ and signed on the board's behalf by:

Susan Sings
Chair of Trustees

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jane Bass	4	5
Nick Redfern	0	1
Susan Sings	5	5
Philip Barlow	5	5
Susan Sings, Chair of Trustees	5	5
Claire Brazier	0	1
Kirsty Brown	4	5
Stuart Caplen	1	1
Rowland Costin	1	1
Jackie Irwin	1	1
Hazel Funnell	1	1
Karen James	1	1
Graham Lancaster	1	1
Tertia Ringwood	0	2
Don Burton	2	2
Simon Carter	2	2
Trenica King	0	1
Anthony Welch	1	1

Following DfE guidance in September 2014, it was decided to make major changes to the composition of the Board of Trustees, increasing the skill levels of its members to better reflecting the core business areas of strategy, finance, marketing, governance, education and technology whilst at the same time reducing the overall numbers to make the Board of Trustees more manageable and accountable. It took time to find the appropriate people. The gender imbalance remains a challenge. Eight Trustees left and six joined in the year 1st September 2014 to 31st August 2015 (see above).

Governance reviews:

Following the review of the Trust membership, a further internal review of the subcommittee structure was undertaken, resulting in the creation of two sub committees, the Audit Committee and the Finance and Personnel Committee, which had previously been subsumed into one committee. This allows greater focus on the key objectives of each committee. New Trustees come with specific experience in these key areas. Membership of both Committees was changed to remove Members, to ensure a proper distance between Members and Trustees. Now only the Chair of the Board of Trustees sits also as a Members. A further review of the effectiveness of the Board of Trustees will take place in the following year.

- To consider the financial aspects of particular matters specifically referred to the Committee
- To consider the Trust's' indicative budget, notified annually by the Education funding Agency and to

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement (continued)

assess the implications for the Trust in consultation with the Lead Head Teacher, in advance of the year involved, drawing any matters of significance or concern to the attention of the appropriate Governing Body

- To consider and recommend acceptance or non acceptance of the Trust's budget at the start of each financial year.
- To contribute to the formulation of the Trust's Improvement plan through the consideration of financial priorities and proposals, in consultation with the Lead Head Teacher, with the stated and agreed aims and objectives of the Multi Academy Trust.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency funds or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To agree limits of delegation and virement. To liaise with and receive reports from committees as appropriate and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the board of Trustees.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvements where necessary.
- To prepare the Trustees' report to form part of the statutory accounts of the Trust and for filing in accordance with Companies' Act requirements.
- To ensure there are effective policies and procedures in place for the safe recruitment of all staff and volunteers and for the engagement of other adults in accordance with DfE guidance and legal requirements
- To monitor compliance with those polices and procedure.
- To ensure that recruitment of staff is undertaken in accordance with the processes laid out in the Recruitment Policy of the Connected Learning MAT
- To annually review the terms and conditions for staff within the Multi Academy Trust
- To monitor performance management with delegated powers being passed to the Lead Headteacher/Head teacher.
- To consider applications for early retirement, secondments or leave of absence
- To authorise and monitor expenditure with the staffing budgets with delegated powers for day-to-day matters being passed to the Headeacher.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jane Bass	1	1
Claire Brazier	0	1
Simon Carter	1	1
Philip Barlow	0	1
Susan Sings	1	1

- Determine whether the performance of the external audit is satisfactory and effective and meets the requirements of the Trust
- Recommend to the Board of Trustees the retention or replacement of the external auditor and, if the Committee recommends replacement, evaluate candidates for the appointment
- Review all issues related to any change of external auditor and the planned steps for an orderly transition: Review the terms of the external auditor's engagement, and the appropriateness and reasonableness of the proposed audit fees
- 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
- 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

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement (continued)

- 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
- 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
- Develop, maintain and review the systems in place to identify and monitor major business risks; the Chairman will report to the Board of Trustees as appropriate on the areas of major business risk
- 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
- Endeavour to identify to the Board of Trustees matters that expose Members/Trustees to claims for which Members/Trustees could be held personally liable
- 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
- Review the processes of governance to enable the Trust to implement best practice as set out in the appropriate guidance. This will include a comprehensive review of governance once every three years, the results of which are to be discussed at the following meeting of the Board of Trustees. The Audit Committee Chairman may conduct the review himself or delegate responsibility to another Director. The next review will be due early in 2016.
- Review and recommend changes to its Terms of Reference, following completion of each annual audit.
- The agenda for Committee meetings shall be determined by the Chairman of the Committee in consultation with other members of the Committee as appropriate and shall whenever possible be circulated in advance to persons attending the meeting and copied to the Chairman of the Board of Trustees.

This year two Trustees from the Audit Committee met with the External Auditors to review their schedule of work and to assure themselves that they met the requirements of the Trust. As a result of these meetings it was recommended to the Board of Trustees that William Giles should be re-appointed as auditors for the following year. The Committee also reviewed the internal auditors' reports and progressed action on items identified as "significant"

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Philip Barlow	1	1
Jane Bass	1	1
Claire Brazier	1	1
Simon Carter	1	1
Susan Sings	1	1

As noted above, prior to the review of the sub committee structure there was a combined Finance, Personnel and Audit Committee. This met once on 06.10.14 and attendance was as follows

Trustee	Meeting Attended	Out of a Possible
Jane Bass	1	1
Claire Brazier	1	1
Rowland Costin	1	1
Rod Lane (Member)	1	1
Susan Sings	1	1
Ann Engle (non voting)	0	1
Jackie Irwin	0	1
Nick Redfern (Member)	0	1

Review of Value for Money

As accounting officer, the Lead Headteacher 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

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement (continued)

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 accounting officer for the academy trust has delivered improved value for money during the year by:

- Annual Contracts have been reviewed
- Negotiated reduction in cost of Insurance for Powers Hall Academy and the potential other academies due to join the trust on 01.09.15
- Potentially negotiated a reduction in a Trust School Meals Support Contract.
- Identified a potential Surveyor to act across the Trust Schools and submit CIF bids.
- We continue to obtain quotations for works below the required limits to ensure best value.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connected Learning Multi Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement (continued)

The Risk and Control Framework

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

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

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

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing income/expenditure
- Governance

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

The ECC ICE has delivered their schedule of work as planned, and provided details of any material control issues arising as a result of the auditor's/reviewer's work and, if relevant, describe what remedial action is being taken to rectify the issues.

December 2014, Visit 1 – Significant –, Business Interests not yet published on website – rectified. and Signatories on the accounts – Local Governing Body decision.

May 2015, Visit 2 – Significant - Authorisation of a Virement – now rectified at BoT meeting 10th July 2015

June 2015, Visit 3 – nothing Significant

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on **Select date above** and signed on its behalf, by:

CONNECTED LEARNING
(A company limited by guarantee)

Governance Statement (continued)

Susan Sings
Chair of Trustees

Jane Bass
Accounting Officer

CONNECTED LEARNING
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Connected Learning Multi Academy Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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

Jane Bass
Accounting Officer

Date:

CONNECTED LEARNING
(A company limited by guarantee)

Trustees' Responsibilities Statement
For the year ended 31 August 2015

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

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

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

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

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

Approved by order of the members of the board of trustees on _____ and signed on its behalf by:

Susan Sings
Chair of Trustees

CONNECTED LEARNING
(A company limited by guarantee)

Independent Auditors' Report to the Members of Connected Learning

We have audited the financial statements of Connected Learning for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

CONNECTED LEARNING
(A company limited by guarantee)

Independent Auditors' Report to the Members of Connected Learning

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Alyson Howard FCCA CF (Senior Statutory Auditor)

Williams Giles Limited

Chartered Accountants

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date:

Williams Giles Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CONNECTED LEARNING
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 15 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connected Learning during the year 1 September 2014 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Connected Learning and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Connected Learning and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Connected Learning's funding agreement with the Secretary of State for Education dated 28 June 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

CONNECTED LEARNING
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Alyson Howard FCCA CF

Williams Giles Limited

Chartered Accountants

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date:

CONNECTED LEARNING
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Transfers on conversion	2	-	-	-	-	1,379,741
Other voluntary income	2	7,065	-	-	7,065	330,759
Activities for generating funds	3	27,699	255,198	-	282,897	116,719
Investment income	4	347	-	-	347	322
Incoming resources from charitable activities	5	-	1,515,699	12,591	1,528,290	1,724,133
Total incoming resources		35,111	1,770,897	12,591	1,818,599	3,551,674
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	4,330	78,224	-	82,554	15,725
Charitable activities		10,231	1,595,300	90,187	1,695,718	1,736,337
Governance costs	7	-	19,086	-	19,086	43,334
Total resources expended	10	14,561	1,692,610	90,187	1,797,358	1,795,396
Net incoming resources before transfers		20,550	78,287	(77,596)	21,241	1,756,278
Transfers between Funds	22	-	5,477	(5,477)	-	-
Net income for the year		20,550	83,764	(83,073)	21,241	1,756,278
Actuarial gains and losses on defined benefit pension schemes		-	15,000	-	15,000	(81,000)
Net movement in funds for the year		20,550	98,764	(83,073)	36,241	1,675,278
Total funds at 1 September 2014		97,646	(377,812)	1,955,444	1,675,278	-
Total funds at 31 August 2015		118,196	(279,048)	1,872,371	1,711,519	1,675,278

All activities relate to continuing operations.

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

The notes on pages 27 to 48 form part of these financial statements.

CONNECTED LEARNING
(A company limited by guarantee)
Registered number: 08579939

Balance Sheet
As at 31 August 2015

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Tangible assets	18		1,869,371		1,949,309
Current assets					
Stocks	19	1,118		1,294	
Debtors	20	60,651		38,674	
Cash at bank		296,260		183,917	
		358,029		223,885	
Creditors: amounts falling due within one year	21	(58,881)		(60,916)	
Net current assets			299,148		162,969
Total assets less current liabilities			2,168,519		2,112,278
Defined benefit pension scheme liability	27		(457,000)		(437,000)
Net assets including pension scheme liability			1,711,519		1,675,278
Funds of the academy					
Restricted funds:					
Restricted funds	22	177,952		59,188	
Restricted fixed asset funds	22	1,872,371		1,955,444	
Restricted funds excluding pension liability		2,050,323		2,014,632	
Pension reserve		(457,000)		(437,000)	
Total restricted funds			1,593,323		1,577,632
Unrestricted funds	22		118,196		97,646
Total funds			1,711,519		1,675,278

The Trustees consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

CONNECTED LEARNING
(A company limited by guarantee)

Balance Sheet (continued)
As at 31 August 2015

The financial statements were approved by the Trustees, and authorised for issue, on **Complete 'ACCOUNTS COMPLETION' section** and are signed on their behalf, by:

Susan Sings
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

CONNECTED LEARNING
(A company limited by guarantee)

Cash Flow Statement
For the year ended 31 August 2015

	Note	year ended 31 August 2015 £	Period ended 31 August 2014 £
Net cash flow from operating activities	24	110,001	427,905
Capital expenditure and financial investment	25	2,342	(338,016)
Increase in cash in the year		112,343	89,889

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Increase in cash in the year	112,343	89,889
Movement in net funds in the year	112,343	89,889
Net funds at 1 September 2014	183,917	94,028
Net funds at 31 August 2015	296,260	183,917

The notes on pages 27 to 48 form part of these financial statements.

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

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

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

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

The valuation for leasehold property is taken from the Mouchel desktop valuation completed for the EFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.8 Operating leases

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

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

1.9 Stocks

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

1.10 Taxation

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

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers on conversion	-	-	-	1,379,741
Donations	7,065	-	7,065	2,759
Capital donation	-	-	-	328,000
Subtotal	7,065	-	7,065	330,759
Voluntary income	7,065	-	7,065	1,710,500

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Consultancy	-	102,947	102,947	34,697
Teacher training	-	700	700	6,800
Hire of facilities	18,867	-	18,867	19,063
Catering	-	32,843	32,843	28,035
Uniform	8,832	-	8,832	8,944
Educational trips	-	13,536	13,536	12,260
Teaching alliance funding	-	79,000	79,000	-
Other income	-	26,172	26,172	6,920
	<u>27,699</u>	<u>255,198</u>	<u>282,897</u>	<u>116,719</u>

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	347	-	347	322
	<u>347</u>	<u>-</u>	<u>347</u>	<u>322</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,116,508	1,116,508	1,271,977
Other DfE/EFA grants	-	38,663	38,663	200,187
Pupil Premium	-	171,965	171,965	120,309
Start Up grants	-	140,000	140,000	25,000
	-	1,467,136	1,467,136	1,617,473
Other government grants				
Other government grants	-	48,563	48,563	30,235
	-	48,563	48,563	30,235
Other funding				
Devolved formula capital	-	6,880	6,880	6,756
Other capital grants	-	5,711	5,711	69,669
	-	12,591	12,591	76,425
	-	1,528,290	1,528,290	1,724,133

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Uniform	4,330	-	4,330	3,114
Educational visits	-	14,011	14,011	12,611
Teaching alliance costs	-	64,213	64,213	-
	4,330	78,224	82,554	15,725

7. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	14,273	14,273	12,110
Legal and professional fees	-	4,813	4,813	31,224
	-	19,086	19,086	43,334

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

8. Direct costs

	Educational activities £	Total 2015 £	Total 2014 £
Staff development	17,303	17,303	10,379
Educational consultancy	47,625	47,625	57,009
Educational supplies	41,054	41,054	31,937
Other direct costs	13,040	13,040	13,682
Agency Supply	-	-	956
Wages and salaries	794,773	794,773	848,548
National insurance	52,224	52,224	50,458
Pension cost	113,721	113,721	105,099
	<u>1,079,740</u>	<u>1,079,740</u>	<u>1,118,068</u>

9. Support costs

	Educational activities £	Total 2015 £	Total 2014 £
LGPS Pension costs	16,000	16,000	18,000
Maintenance of premises and equipment	20,152	20,152	14,581
Cleaning	25,196	25,196	26,860
Rent & rates	9,355	9,355	8,376
Energy costs	27,697	27,697	24,750
Insurance	23,733	23,733	43,337
Other support costs	38,073	38,073	24,424
Catering	29,895	29,895	27,456
Security & Transport	2,755	2,755	2,005
Leasing	6,738	6,738	1,950
Technology costs	8,001	8,001	21,296
LGPS Deficit Payments	17,322	17,322	19,288
Legal & Profesional	23,935	23,935	27,513
Wages and salaries	244,712	244,712	234,296
National insurance	13,692	13,692	13,419
Pension cost	18,535	18,535	16,690
Depreciation	90,187	90,187	94,028
	<u>615,978</u>	<u>615,978</u>	<u>618,269</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

10. Resources expended

	Staff costs	Non Pay Expenditure Premises	Other costs	Total	Total
	2015 £	2015 £	2015 £	2015 £	2014 £
Costs of generating voluntary income	-	-	82,554	82,554	15,725
Costs of generating funds	-	-	82,554	82,554	15,725
Direct costs	960,718	-	119,022	1,079,740	1,118,068
Support costs	276,939	90,187	248,852	615,978	618,269
Charitable activities	1,237,657	90,187	367,874	1,695,718	1,736,337
Governance	-	-	19,086	19,086	43,334
	1,237,657	90,187	469,514	1,797,358	1,795,396

11. Net incoming resources

This is stated after charging:

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned by the charity	90,187	94,028
Auditor remuneration	14,273	12,110

12. Auditors' remuneration

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,250	8,250
Fees payable to the academy's auditor and its associates in respect of: All other non-audit services not included above	6,023	3,860

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

13. Staff

a. Staff costs

Staff costs were as follows:

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Wages and salaries	1,039,485	1,082,844
Social security costs	65,916	63,877
Other pension costs (Note 27)	132,256	121,789
	<u>1,237,657</u>	<u>1,268,510</u>
Supply teacher costs	-	956
	<u><u>1,237,657</u></u>	<u><u>1,269,466</u></u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	year ended 31 August 2015 No.	Period ended 31 August 2014 No.
Teaching	12	9
Administration and support	20	23
Management	9	7
	<u>41</u>	<u>39</u>

c. Higher paid staff

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

	year ended 31 August 2015 No.	Period ended 31 August 2014 No.
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
	<u><u>1</u></u>	<u><u>1</u></u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2015 pension contribution for this member of staff amounted to £10,320 (2014 - £11,352).

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

14. Central services

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

- HR and other administrative support

The academy charges for these services on the following basis:

In preparation of the new academies joining the trust on 1 September, Power Hall Academy contributed £17,238 to the central fund towards central trust support costs for the year ended 31 August 2015.

The actual amounts charged during the year were as follows:

	year ended
	31 August
	2015
	£
Powers Hall Academy	12,534
	<hr/>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

15. Trustees' remuneration and expenses

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

	year ended 31 August 2015 £	Period ended 31 August 2014 £
J Bass - Remuneration	75,000-80,000	80,000-85,000
- Employers pension contributions	5,000-10,000	5,000-10,000
K Brown - Remuneration	50,000-55,000	55,000-60,000
- Employers pension contributions	5,000-10,000	5,000-10,000
C Brazier - Remuneration	40,000-45,000	45,000-50,000
- Employers pension contributions	5,000-10,000	5,000-10,000

During the year ended 31 August 2015, expenses totalling £709 (2014 - £2428) were reimbursed to 3 Trustees (2014 - 4).

16. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was included within the insurance cost.

17. Other finance income

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Expected return on pension scheme assets	3,000	1,000
Interest on pension scheme liabilities	(19,000)	(19,000)
	<u>(16,000)</u>	<u>(18,000)</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

18. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	1,774,679	160,851	107,807	2,043,337
Additions	-	1,525	8,724	10,249
At 31 August 2015	<u>1,774,679</u>	<u>162,376</u>	<u>116,531</u>	<u>2,053,586</u>
Depreciation				
At 1 September 2014	33,756	18,766	41,506	94,028
Charge for the year	35,494	16,238	38,455	90,187
At 31 August 2015	<u>69,250</u>	<u>35,004</u>	<u>79,961</u>	<u>184,215</u>
Net book value				
At 31 August 2015	<u>1,705,429</u>	<u>127,372</u>	<u>36,570</u>	<u>1,869,371</u>
At 31 August 2014	<u>1,740,923</u>	<u>142,085</u>	<u>66,301</u>	<u>1,949,309</u>

19. Stocks

	2015 £	2014 £
Goods for resale	<u>1,118</u>	<u>1,294</u>

20. Debtors

	2015 £	2014 £
Trade debtors	13,028	5,723
Prepayments and accrued income	40,465	23,616
VAT recoverable	7,158	9,335
	<u>60,651</u>	<u>38,674</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

21. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	8,927	15,204
Other taxation and social security	20,993	17,903
Other creditors	13,346	6,098
Accruals and deferred income	15,615	21,711
	58,881	60,916

Deferred income

Deferred income at 1 September 2014		1,898
Resources deferred during the year		1,941
Amounts released from previous years		(1,898)
		1,941

At the balance sheet date the academy trust was holding funds received in advance for rates costs.

22. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	97,646	35,111	(14,561)	-	-	118,196
	(377,812)	1,770,897	(1,692,610)	5,477	15,000	(279,048)
Restricted funds						
General Annual Grant (GAG)	53,090	1,116,508	(1,153,195)	11,575	-	27,978
Start up grants	6,098	140,000	(4,813)	(6,098)	-	135,187
Other DfE/EFA Grants	-	38,663	(38,663)	-	-	-
Pupil Premium	-	171,965	(171,965)	-	-	-
Other Government Grants	-	48,563	(48,563)	-	-	-
Other generated funds	-	176,198	(176,198)	-	-	-
Teaching Alliance	-	79,000	(64,213)	-	-	14,787
Pension reserve	(437,000)	-	(35,000)	-	15,000	(457,000)
	(377,812)	1,770,897	(1,692,610)	5,477	15,000	(279,048)

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

22. Statement of funds (continued)

Restricted fixed asset funds

Asset held for depreciation	1,949,309	-	(90,187)	10,249	-	1,869,371
Devolved capital formula	-	6,880	-	(6,880)	-	-
Other capital grants	6,135	5,711	-	(8,846)	-	3,000
	<u>1,955,444</u>	<u>12,591</u>	<u>(90,187)</u>	<u>(5,477)</u>	<u>-</u>	<u>1,872,371</u>
Total restricted funds	<u>1,577,632</u>	<u>1,783,488</u>	<u>(1,782,797)</u>	<u>-</u>	<u>15,000</u>	<u>1,593,323</u>
Total of funds	<u><u>1,675,278</u></u>	<u><u>1,818,599</u></u>	<u><u>(1,797,358)</u></u>	<u><u>-</u></u>	<u><u>15,000</u></u>	<u><u>1,711,519</u></u>

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total
	£
Powers Hall Academy	291,444
Central services	4,704
	<u>296,148</u>
Restricted fixed asset fund	1,872,371
Pension reserve	(457,000)
	<u>1,711,519</u>
Total	<u><u>1,711,519</u></u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

22. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Powers Hall Academy	960,718	276,939	41,054	428,460	1,707,171

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	97,646	35,111	(14,561)	-	-	118,196
Restricted funds	(377,812)	1,770,897	(1,692,610)	5,477	15,000	(279,048)
Restricted fixed asset funds	1,955,444	12,591	(90,187)	(5,477)	-	1,872,371
	<u>1,675,278</u>	<u>1,818,599</u>	<u>(1,797,358)</u>	<u>-</u>	<u>15,000</u>	<u>1,711,519</u>

23. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	1,869,371	1,869,371	1,949,309
Current assets	118,196	236,833	3,000	358,029	223,885
Creditors due within one year	-	(58,881)	-	(58,881)	(60,916)
Provisions for liabilities and charges	-	(457,000)	-	(457,000)	(437,000)
	<u>118,196</u>	<u>(279,048)</u>	<u>1,872,371</u>	<u>1,711,519</u>	<u>1,675,278</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

24. Net cash flow from operations

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Net incoming resources before revaluations	21,241	1,756,278
Assets on conversion	-	(1,635,652)
Pension liability on conversion	-	335,000
Depreciation of tangible fixed assets	90,187	-
Capital grants from DfE	(12,591)	(69,669)
Decrease/(increase) in stocks	176	(1,294)
Increase in debtors	(21,977)	(38,674)
(Decrease)/increase in creditors	(2,035)	60,916
FRS 17 adjustments	35,000	21,000
	<hr/>	<hr/>
Net cash inflow from operations	110,001	427,905
	<hr/> <hr/>	<hr/> <hr/>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

25. Analysis of cash flows for headings netted in cash flow statement

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,249)	(79,685)
Capital grants from DfE	12,591	69,669
Donation of capital item	-	(328,000)
	<hr/>	<hr/>
Net cash inflow/(outflow) capital expenditure	2,342	(338,016)
	<hr/> <hr/>	<hr/> <hr/>

26. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	183,917	112,343	296,260
	<hr/>	<hr/>	<hr/>
Net funds	183,917	112,343	296,260
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

27. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2015.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

27. Pension commitments (continued)

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £66,000 (2014: £48,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £62,000, of which employer's contributions totalled £47,000 and employees' contributions totalled £15,000. The agreed contribution rates for future years are 12.3% for employers and variable% for employees.

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

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

27. Pension commitments (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	-	60,000	6.10	20,000
Bonds	-	9,000	3.60	4,000
Property	-	11,000	5.10	4,000
Gilts	-	4,000	3.00	2,000
Cash	-	2,000	2.90	1,000
Alternative Assets	-	7,000	3.60	1,000
Total market value of assets		<u>93,000</u>		<u>32,000</u>
Present value of scheme liabilities		<u>(550,000)</u>		<u>(469,000)</u>
(Deficit)/surplus in the scheme		<u><u>(457,000)</u></u>		<u><u>(437,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Present value of funded obligations	(550,000)	(469,000)
Fair value of scheme assets	93,000	32,000
Net liability	<u><u>(457,000)</u></u>	<u><u>(437,000)</u></u>

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

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Current service cost	(66,000)	(48,000)
Interest on obligation	(19,000)	(19,000)
Expected return on scheme assets	3,000	1,000
Total	<u><u>(82,000)</u></u>	<u><u>(66,000)</u></u>
Actual return on scheme assets	<u><u>3,000</u></u>	<u><u>1,000</u></u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

27. Pension commitments (continued)

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

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Opening defined benefit obligation	469,000	-
Current service cost	66,000	48,000
Interest cost	19,000	19,000
Contributions by scheme participants	15,000	14,000
Actuarial (Gains)/losses	(15,000)	81,000
Benefits paid	(4,000)	(28,000)
Pension deficit on conversion	-	335,000
	<hr/>	<hr/>
Closing defined benefit obligation	550,000	469,000
	<hr/> <hr/>	<hr/> <hr/>

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

	year ended 31 August 2015 £	Period ended 31 August 2014 £
Opening fair value of scheme assets	32,000	-
Expected return on assets	3,000	1,000
Contributions by employer	47,000	45,000
Contributions by employees	15,000	14,000
Benefits paid	(4,000)	(28,000)
	<hr/>	<hr/>
	93,000	32,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-66,000 (2014 - £-81,000).

The academy expects to contribute £48,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative assets	7.00 %	4.00 %

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

27. Pension commitments (continued)

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	5.30 %	4.05 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI Increases	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(550,000)	(469,000)
Scheme assets	93,000	32,000
Deficit	<u>(457,000)</u>	<u>(437,000)</u>
Experience adjustments on scheme liabilities	<u>15,000</u>	<u>(81,000)</u>

28. Operating lease commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>4,663</u>	<u>4,663</u>

CONNECTED LEARNING
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

29. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

30. Post balance sheet events

Cherry Tree County Primary School and Kings Ford Junior School joined the Trust on 1 September 2015.