



South Suffolk Learning Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2019



Company Registration Number: 7682993
(England and Wales)

South Suffolk Learning Trust

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South Suffolk Learning Trust

Reference and Administrative Details of the Academy, its Trustees and Advisors

Members

Mr Stephen Carr (Chair)
Mr Peter Espley
Mr Martin Redbond
Mr Ralph Tyldesley
Mr Neil Watts (resigned 31 August 2019)

Trustees

Ms Linda Bamford
Mr Stephen Carr
Mr Bob Dool (resigned 26 June 2019)
Mr David Fox (resigned 6 March 2019)
Ms Bryony Godfrey
Ms Diana Porter
Mrs Sarah Skinner (CEO)
Mr Gareth Spinner
Mr Jonathan Waters
Ms Rosanne Wijnberg

Company Secretary

Mr Rob Barnes
Mrs Nicola Foxwell (appointed 25 September 2019)

Senior Managers

- Chief Executive Officer
- Chief Finance Officer
- Headteacher Claydon High School
- Headteacher East Bergholt High School
- Headteacher Hadleigh High School
- Headteacher Colchester Academy
- Headteacher Claydon Primary School

Mrs Sarah Skinner
Mr Rob Barnes
Ms Maéve Taylor
Mr Colin Turner
Mrs Nicola Shingleton
Mrs Jenny Betts
Miss Mary Ashcroft (resigned 31 August 2019)

Company Name

South Suffolk Learning Trust

Registered Office

Heath Road, East Bergholt,
Colchester, Essex CO7 6RJ

Company Registration Number

7682993 (England and Wales)

Auditor

Lovewell Blake LLP
Chartered Accountants and Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Bankers

Lloyds Bank plc
27 High Street
Colchester
CO1 1DU

Solicitors

Stone King
Wellington House
East Road
Cambridge
CB1 1BH

South Suffolk Learning Trust

Trustees' Report

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

The academy trust operates with four secondary academies and one primary academy in South Suffolk and North Essex, with the aim of developing self-sustaining outstanding schools that develop:

- Successful learners
- Confident individuals
- Responsible citizens

Its academies have a combined pupil roll of approximately 3,500.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee (registration number 7682993) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The South Suffolk Learning Trust was incorporated on 1 June 2017. At this time it comprised of Claydon High School, East Bergholt High School and Hadleigh High School. Claydon Primary School joined on 1 July 2018, with Colchester Academy joining on 1 March 2019.

Five members have been appointed to the academy trust for the purposes of company law. One member has resigned during this academic year and we are currently recruiting. Directors act as the trustees for the charitable activities of South Suffolk Learning Trust. The charitable company is known as South Suffolk Learning Trust.

Details of the trustees who served throughout the period except as noted are included in the reference and administrative details on page 3.

The five members are:

- Chair of Trust Board:
Stephen Carr
Neil Watts (resigned 31 August 2019)
Martin Redbond
Ralph Tyldesley
Peter Espley

The academy trust has the following trustees:

- *denotes Resources Committee
- Stephen Carr (Chair)*
 - Linda Bamford
 - Bob Dool (resigned 26 June 2019)
 - David Fox (resigned 6 March 2019)
 - Bryony Godfrey*
 - Diana Porter
 - Sarah Skinner (CEO)*
 - Gareth Spinner*
 - Jonathan Waters*
 - Rosanne Wijnberg*

Members' Liability

Each member of the academy trust 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.

South Suffolk Learning Trust

Trustees' Report (continued)

Trustees' Indemnities

The trustees are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purposes of charity legislation.

Trustees of the company are covered by the Education Skills and Funding Agency's Risk Protection Arrangements under their trustees' indemnity policy.

Method of Recruitment and Appointment of Trustees

The management of the academy trust is the responsibility of the trustees who are appointed under the terms of the articles of association. The members can appoint up to ten trustees through such process as they may determine.

Trustees are subject to retirement after a term of four years. After the term they are eligible for re-election at the meeting at which they retire. The make-up of the board includes experienced professionals, many of whom have a good understanding of the operational and legal requirements of running an establishment such as South Suffolk Learning Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. Trustees will have access to the Local Authority Governor Training opportunities.

Organisational Structure

South Suffolk Learning Trust has established a unified structure to enable its efficient running. The structure consists of different levels: the board committees, the leadership group and local governing bodies at each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The board of trustees is responsible for making major decisions about the strategic direction of the academy trust, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the academy trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

The CEO is the accounting officer.

There is a leadership group which consists of the headteachers of each academy. They are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

The local governing bodies are made up of a mix of local people including staff, parents and community governors. They act as a 'critical friend' to the head and academy, a 'sounding' board at a local level. The LGBs are a committee of the Board.

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision making matters. The board meets regularly throughout the academic year through a series of structured and systematic meetings.

Arrangements for setting pay and remuneration of key management personnel

- Key management personnel salaries are set in accordance with the academy trust's pay policy. The academy trust's pay scales are set in accordance with the national Teaching and Support staff pay scales. These are reviewed annually in line with other academy trusts and STRB recommendations.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require relevant public sector employers to publish specified information related to facility time taken by trade union officials. The relevant information related to South Suffolk Learning Trust between 1 April 2018 and 31 March 2019 is published below:

South Suffolk Learning Trust

Trustees' Report (continued)

Trade union facility time (continued)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	1
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£4,235
Provide the total pay bill	£14,415,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Related Parties and other Connected Charities and Organisations

The academy trust operates under the Seven Principles of Public Life, known as the Nolan Principles. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

South Suffolk Learning Trust

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations (continued)

These principles are reflected in the way we declare and deal with related party transactions so that we are operating fairly, transparently and open to scrutiny. Potential for conflict of interest arises when an individual could gain, or be perceived to gain, from an aspect of the academy trust business. All potential conflicts of interest and pecuniary interests are declared at the start of each meeting. All purchasing decisions made by the academy trust follow the same procurement and/or commissioning procedures. Any business links with trustees or other academy trust officers have been made in accordance with these procedures.

The academy trust board is confident that conflict of interest is handled according to the Seven Principles of Public Life and in accordance with the Academies Financial Handbook 2018.

Objectives and Aims

At South Suffolk Learning Trust we aim to provide a happy, caring and secure environment where young people are able to develop and work as members of a learning community. Learning is at the heart of our work and we are committed to celebrating the achievements of students and fostering a positive ethos based on equality of opportunity, self-discipline and consideration for others. High expectations underpin all aspects of the life and work of the schools. We encourage all our students to take full advantage of the many opportunities open to them at South Suffolk Learning Trust and to see themselves as valued members of their school and the wider community.

Within this positive learning environment, we aim to:

- Offer a broad and balanced curriculum which meets statutory requirements and provides programmes of study which are relevant and which promote progression in skills, attitudes, knowledge and understanding.
- Provide a range of stimulating, challenging and applied learning experiences which will meet the individual needs of all students, helping them achieve their full potential in all curriculum areas and encouraging them to enjoy value and appreciate their education.
- Encourage students to recognise their responsibilities as citizens and to appreciate and value others.
- Help students to develop rational thinking skills that enable them to make informed decisions on their own.
- Create independent learners with the capacity and enthusiasm to continue learning throughout their lives.
- Provide students with opportunities to develop their leadership skills.
- Give young people a voice in decision making processes.
- Help students to acquire knowledge and skills relevant to responsible adult life at home, at leisure and at work in a fast changing world.
- Encourage students to develop spiritual, moral, social and cultural values.
- Encourage students to develop tolerant and sensitive attitudes towards people who are different in terms of their gender, age, race, religion and/or culture, for example, fostering a recognition that diversity enriches our society.
- Encourage students to respect that everyone in the school community and beyond has a right to equality of opportunity.
- Encourage students to understand and exercise a successful balance between their own rights and their responsibility for others.
- Help students to understand the world in which we live and the interdependence of individuals, groups and nations.
- Foster a respect for the environment.
- Encourage students to develop a sense of self-esteem and help them to derive satisfaction from their own achievements individually and collectively.
- Celebrate the achievements of students.
- Work in partnership with parents and the wider community.
- Promote a healthy lifestyle.

Strategies and Activities

Our growth strategy is in development; we remain in dialogue with the RSC regarding growth, sponsorship and re-brokering opportunities.

South Suffolk Learning Trust

Trustees' Report (continued)

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The trustees consider that the academy trust's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

The academy trust has had a very successful year. Colchester Academy joined us in March 2019. We were awarded 'Sponsor' status by the DfE in 2019.

The development of a Corporate Services Team to strengthen the delivery of services to schools was established in September 2018 and has seen physical improvements to premises, major upgrading of ICT, and centralisation of HR and Financial Management across the academy trust. Further work on academy trust policies has continued and this will support a consistent drive for improvement.

Some of these improvements include:

- Complete refurbishment of six science classrooms at Hadleigh High School
- Replacement of old Crittall windows with modern double glazed units at Claydon High School via a successful CIF bid
- Completion of re-roofing to Claydon High School (CIF bid)
- Replacement of old, leaking, underfloor heating pipes at East Bergholt High School
- Completion of re-roofing to East Bergholt High School (CIF bid)
- Purchase of tiered seating system at East Bergholt High School following a successful bid for CIL funding from Babergh District Council.
- Updated high speed internet services to all schools in the academy trust
- IT infrastructure work at East Bergholt, Hadleigh, Claydon High and Claydon Primary School

We have established a comprehensive academy trust CPD offer for staff and governors. Staff training programmes include: Leaders for the Future; the outstanding teacher programme; the improving teacher programme; and the power of coaching programme. This academic year we will be offering a New to Middle Leadership programme and a Perfecting your Practice programme. These training programmes have been funded by the academy trust and to date have trained over 45 staff.

The academy trust has grown in reputation and the CEO has been asked to speak at a DfE event this year and undertake performance management for a CEO in a local academy trust.

Individual schools have continued to develop. All schools continue to offer a broad and balanced curriculum, huge opportunities for learners beyond the curriculum with school trips, extracurricular clubs, performances and work experiences.

Key Performance Indicators

Public examination performance

DfE Performance Indicator	Claydon High School	East Bergholt High School	Hadleigh High School	Colchester Academy
Progress 8	-0.03	-0.30	-0.35	-0.32
Attainment 8	46.5	45.7	43.9%	39.7
% of students achieving 9-5 in Eng & Ma	42%	41%	34%	27%
% of students entered for the EBacc	41%	36%	38%	12%
% of students achieving the EBacc	4.2%	4.1%	4.1%	3.3%

South Suffolk Learning Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Public examination performance

Claydon Primary School		%GLD	ATPS
EYFS		86.7%	37.0
Phonics	% by year 1	95%	
	% by the end of KS1	96.7%	
KS1 RWM combined		% EXS + 63.3%	%GDS 6.7%
KS2 RWM combined		68.3%	6.7%
Reading progress		-1.2	
Writing progress		-3.0	
Maths progress		-1.6	

Going Concern

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

Financial Review

The academy trust's financial statements for the year ended on 31 August 2019 include financial activities for 12 months for East Bergholt High School, Claydon High School, Hadleigh High School and Claydon Primary School, with 6 months for Colchester Academy. The comparative figures for the year ended 31 August 2019 include financial activities for 12 months for East Bergholt High School, Claydon High School and Hadleigh High School, with 2 months for Claydon Primary School.

Most of the academy trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, income also includes a transfer from Colchester Academy on joining the multi-academy trust of £12,233k.

Excluding transfers, grant funding from the ESFA and other income amounted to £17,365k (2018: £13,765k) with total expenditure of £19,067k (2018: £12,972k). The resultant overall net surplus of £10,460k (2018: £4,387k) is after charging net pension costs under FRS102 of £1,340k (2018: £290k) and depreciation of £942k (2018: £223k), with capital funding of £353k (2018: £1,059k). The in-year result (excluding transfers in and movements on the pension reserve and restricted fixed asset funds) was an overall deficit of £328k (2018: surplus £378k) comprising a deficit on unrestricted funds of £262k (2018: surplus £328k) and a deficit on restricted general funds of £66k (2018: surplus £50k).

At 31 August 2019 the net book value of fixed assets was £52,505k (2018: £37,886k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

Assets of £970k (2018: £1,157k) were acquired during the year ended 31 August 2019, of which £486k (2018: £1,023k) were financed by capital grants. Assets of £484k (2018: £134k) were acquired in addition to those assets financed by capital grants. Assets of £28k (2018: £3k) were financed using current year General Annual Grant (GAG), £Nil (2018: £81k) were financed by other restricted funds and £456k (2018: £50k) were financed by unrestricted funds. No asset disposals were made in the year.

In accordance with FRS102, the academy trust received an actuarial assessment of pension scheme deficit. The deficit balance of £7,211k (2018: £1,689k) is included within the balance sheet as at 31 August 2019 and supporting notes to the financial statements.

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Trustees' Report (continued)

Financial Review (continued)

Fund surplus balances excluding pension and restricted fixed asset reserves at 31 August 2019 were:

	£000
Claydon Primary School	111
Claydon High School	314
East Bergholt High School	296
Hadleigh High School	676
Colchester Academy	242
Central services	(35)
Total	<u>1,604</u>

Use of Reserves

Claydon Primary School

The reserves may be key to ensuring that the school can keep financial pace with rapidly growing pupil numbers. The school has gone to a PAN of 75 (2.5 form entry) from September 2019 and the reserves will ensure the school can sustain this major change.

Claydon High School

These reserves are consistent over the last few years.

East Bergholt High School

The reserves have been maintained to cover a known demographic dip in the intake of 2017, this low year will follow through the school years. A balanced budget has been set for 2019/20.

Hadleigh High School

These reserves are consistent over the last few years.

Colchester Academy

Colchester Academy joined on 1 March 2019. They transferred at a zero balance. The in year surplus has been unpredictable due to unknown costs paid by the previous academy trust. There have been difficulties recruiting and a cautious approach was taken with the staffing model due to a new school opening locally.

Reserves Policy

As at 31 August 2019 the academy trust had reserves totalling £1,604k (2018: £1,932k) calculated as restricted general funds, excluding pension liabilities, plus unrestricted reserves. Of this total, £1,428k (2018: £1,690k) is free reserves, calculated as total funds less the amount held in fixed assets and restricted funds, as shown in note 16 (unrestricted funds). This included £60k (2018: £60k) of designated funds for the replacement of the 3G football pitch. The total restricted general funds (excluding pension reserve) at 31 August 2019 was £176k (2018: £242k).

The board approved a policy in Autumn 2018 that enables schools to bid for use of the centrally held reserves. This also enabled schools to use £20k of the reserves, if required, within the financial year 2018-19. The reserves should be maintained to hold a minimum of one month's salary across the academy trust for emergency purposes. This equates to a figure of £1.4 million, and is in line with the actual free reserves stated above.

In the summer term of 2020 the academy trust should receive a Schools Capital Grant to the value of an estimated £350k. This replaces the academy trust's ability to apply for Condition Improvement Funding and will be spent on a capital improvement programme agreed by trustees.

South Suffolk Learning Trust

Trustees' Report (continued)

Investment Policy

Safe investment was agreed via a long term fixed rate investment with the academy trust's banker Lloyds for the period 7 September 2018 to 7 September 2019.

Principal Risks and Uncertainties

- Proposed changes to the Suffolk Transport regulations will, potentially, have a negative effect on student numbers to East Bergholt High School
- The impact of new academies opening in Colchester (one opened September 2019 and another due to open in September 2021)
- Tiring buildings in all four Suffolk schools
- Higher than planned expenditure on renovating the sports centre at Colchester Academy and the risk of the Schools Capital Grant (SCA) not meeting these needs
- Uncertainty regarding RSC re-brokering and the financial situation of potential joiners

Fundraising

Most of the academy's income is obtained from the Education Skills & Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Other income for High Tariff Needs and Looked After Children comes as grants from the Local Authority.

School visits income is within the unrestricted fund and is paid directly from parents to cover the costs of school trips.

The amount of money donated to the academy trust is negligible and the academy trust are not approaching members of the public to make donations. The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for Future Periods

Plans for 2019-20 include:

- Continue to support other schools when approached by the RSC.
- Development of the Trust's growth strategy.
- Further centralising of contracts and work roles.
- SCA - Estates plan

Employees

The trustees recognise their responsibilities under equality legislation, specifically the Equality Act 2010. All those taking part in the recruitment and selection process have responsibility for applying the academy trust's policy on equal opportunities to avoid unlawful discrimination. The trustees recognise that all public sector organisations are under a single equality duty to demonstrate that they are achieving equality in their workforce across all protected characteristics.

The academy trust meets on a regular basis with trade union representatives when any changes to policies are fully consulted on before implementation. In addition the head teachers of all the academies meet on a regular basis to ensure an exchange of views. Joint training happens on inset days throughout the year as well as link meetings of departments across the academy trust.

South Suffolk Learning Trust

Trustees' Report (continued)

Employment of disabled persons

As yet the academy trust has not produced a central "Employment of disabled persons" policy but each school's "equal opportunities" policy does cover these areas.

Employee involvement

The academy trust has a Trade Union Recognition Agreement, including arrangements for facilities time and a Joint Consultation and Negotiation Committee (JCNC).

Auditor

In so far as the trustees are aware:

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

The auditor, Lovewell Blake LLP, is willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2019 and signed on its behalf by:



Stephen Carr
Chair of Trustees

South Suffolk Learning Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day to day responsibility to the Chief Executive Officer, 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 South Suffolk Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees for any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six 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
Stephen Carr	5	6
Linda Bamford	6	6
Bob Dool (resigned 26 June 2019)	2	5
David Fox (resigned 6 March 2019)	2	3
Bryony Godfrey	3	6
Diane Porter	4	6
Sarah Skinner	6	6
Gareth Spinner	4	6
Jonathan Waters	4	6
Rosanne Wijnberg	6	6

Following the Trust's establishment in June 2017, this has been a year of consolidation for the Board of South Suffolk Learning Trust. The board held a development day with another trust board with a focus on self review.

The **Resources Committee** is a sub-committee of the main board of trustees. Its purpose is to have a strategic oversight of the academy trust's finances and capital development and maintenance including Health and Safety. The committee also has an audit function to monitor expenditure and internal accounting controls. Full terms of reference for this committee are agreed annually by the Board. For the 2019/2020 academic year this committee will become the Finance, Risk and Audit Committee.

Attendance at the meetings of the resources committee was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Carr	5	5
Bryony Godfrey	4	5
Sarah Skinner	5	5
Gareth Spinner	3	5
Jonathan Waters	3	5
Rosanne Wijnberg	5	5

South Suffolk Learning Trust

Governance Statement (continued)

The terms of reference for the Resources Committee are:

- to prepare and recommend to the academy trust board the academy trust Financial Regulations and Procedures to comply with relevant statute and regulation, the academy trust's scheme of delegation and the decisions of the trustees;
- to review, recommend to the academy trust board and monitor the individual school annual budgets that are proposed by each local governing body with a specific responsibility to ensure that budgets do not go into deficit;
- to review, recommend to the academy trust board and monitor the academy trust annual budget that consolidates individual academy budgets with academy trust central costs and charges, with a specific responsibility to ensure the academy trust budget does not go into deficit;
- to identify and propose to the academy trust board opportunities for the academy trust to achieve financial and resource efficiencies for member academies through joint commissioning and procurement;
- to review and approve the academy trust and academy interim year-end financial reports prior to audit;
- to review and recommend to the academy trust members the appointment and re-appointment of the academy trust's auditors;
- to plan and oversee the statutory audit of annual accounts for the academy trust and each academy;
- to review and recommend to the academy trust board the audited annual accounts and financial statements in accordance with relevant statute and regulation;
- to review and recommend to the academy trust board the Trustees report;
- to prepare and recommend to the academy trust board and implement the academy trust action plan in response to the auditor's management letter;
- to plan, oversee and monitor the internal audit of academy trust and academy compliance with the academy trust's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance;
- to prepare and approve policies relating to the academy trust's financial governance and operation including:
 - Procurement
 - Anti-Fraud and Corruption
 - Audit
 - Investment
 - Disposals and write-off of stock assets
 - Risk Analysis and Risk Management
 - Pay and Performance
- to recommend to the academy trust board expenditure above the OJEU limit having completed the necessary procurement
- to consider and respond to local governing body recommendations for compensation payments up to £50,000 or the limit set by the Education Skills and Funding Agency. The committee shall ensure that the proposals are compliant with relevant legal and regulatory requirements and with the academy trust's relevant policies;
- to guide and support the academy trust board in fulfilling its legal and regulatory responsibilities for the employment of staff in ways that are appropriate to the academy trust's vision, ethos and values;
- to guide and support the academy trust board in developing a staff body with appropriate knowledge, skills and expertise to enable the trust to fulfil its vision and achieve its strategic objectives;
- to guide and support the academy trust board in monitoring and managing the working conditions, work/life balance and well-being of academy trust employees including absence and sickness;
- to review and recommend to the academy trust board policies relating to the employment and management of academy trust staff as per policy matrix;
- to review and recommend to the academy trust board the annual pay awards for Teachers and Support staff, the committee shall consider relevant local and national agreements and ensure that the proposals are compliant with relevant legal and regulatory requirements and with the academy trust's relevant policies, including consultation with unions and professional associations;
- to oversee and recommend to the academy trust board the performance management review of the CEO;
- to review and respond to the local governing body proposals for the restructuring and redundancy of staff. The committee shall ensure that the proposals are compliant with relevant legal and regulatory requirements and with the academy trust's relevant policies.

Governance Statement (continued)

The terms of reference for the standards committee were (this committee does not exist for the 2019/20 academic year and standards are reported at Board level;

- The trustees of the academy trust Board shall establish the Standards Committee as a Trust Committee as empowered by the academy trust's Articles of Association (Article 100b).
- The trustees shall determine and approve the Committee Terms of Reference and shall review the Terms at the start of each academic year (Article 101).
- The trustees shall determine and approve the delegation of powers, responsibilities and duties to the Committee and shall review this Scheme of Delegation at the start of each academic year (Article 105).
- The trustees shall have the right to intervene in the governance of an academy where it has serious cause for concern, including
 - Standards of performance of pupils at the academy are unacceptably low,
 - Serious breakdown in the way the academy is governed or managed,
 - Safety of pupils or staff is threatened,
 - Financial mismanagement or failure to operate within budget.
- The Committee shall exercise the powers, responsibilities and duties delegated by the academy trust Board as set out in the Terms of Reference and Scheme of Delegation, and in particular:
 - To scrutinise, challenge and review the quality of teaching in each school.
 - To scrutinise, challenge and review the cost and structure of the curriculum offering in each school.
 - To set performance targets and scrutinise, challenge and review school performance against the targets.
 - To scrutinise in year performance data.
 - To review the quality of learning within schools
 - To scrutinise, review and challenge the educational performance of our schools.
 - To monitor the effectiveness of the Continuous Professional Development opportunities provided by the academy trust.
- To prepare and approve policies relating to the academy trust's governance and operation including all aspects relating to school improvement and outcomes:
 - The Safeguarding policy
 - Prevent policy
 - The Admissions policy
 - Anti-bullying policy
 - Behaviour policy
 - Exclusions policy
 - SEND and inclusion policy
 - Sex and relationship education policy
- The composition of the Standards Committee shall be as follows;
 - Trustees with relevant knowledge, skills and expertise in target setting, quality assurance, teaching and learning, curriculum design and structure, data analysis, continuous professional development, risk management, performance management, student welfare
 - Chief Executive Officer,
 - Persons with target setting, quality assurance, teaching and learning, curriculum design and structure, data analysis, continuous professional development, risk management, performance management, student welfare who may be appointed by the academy trust board and
 - Further Trustees such that the Committee has a majority of trustees.
- Meetings of the committee
 - The Committee shall meet half termly at least once per term and in particular;
 - The Committee shall meet at the appropriate times set out in the Trust Governance Planning Calendar
 - Agendas and any associated papers for forthcoming meetings will be circulated where possible to all committee members at least seven (7) days in advance of the meeting
 - Committee papers will be available to all trustees (not just those on the committee),
 - Minutes will be circulated to all trustees (not just those on the committee),
 - Minutes will be signed by the Committee' Chairs at the next meeting to verify that the minutes are a true record.
 - Quorum for a meeting of the Committee will be the greater of three (3) persons or number of persons at least equal to half the members and a majority of members present being academy trust trustees.

Governance Statement (continued)

- Each question to be decided at a meeting of the Committee shall be determined by a majority of votes of members present and eligible to vote on the question. The Chair shall have the casting vote in the case of equal votes for and against the decision.
- Appointment of the committee chair
 - The academy trust Board shall appoint the Chair and Vice Chair, noting any recommendation from the Committee.
 - The academy trust Board shall have the right to remove the Chair and/or Vice Chair, specifically in circumstances where they have cause for concern that there is financial mismanagement within the academy trust.
 - The term of office for Chair and Vice-Chair will be 1 year and they shall be appointed at the first meeting of the academy trust board each school year.
- Appointment of a Clerk
 - The academy trust board shall appoint a Clerk to the Committee.

Review of Value for Money

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

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

- long term contracts being regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality;
- as a multi academy trust we are able to save money using economies of scale with purchases for example broadband and IT equipment;
- we have also undertaken a review of external services we are currently purchasing to look at opportunities to provide services internally and therefore save money, this review has led to the centralisation of some Trust work, in the areas of IT, Finance, HR and Facilities Management.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Suffolk Learning Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval for the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval for the annual report and financial statements. This process is regularly reviewed by the board of trustees.

South Suffolk Learning Trust

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews 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 Schools' Choice as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- review of governance processes
- review of inventory and security

On a quarterly basis, Schools' Choice provide a written report providing feedback on how the Trust's financial affairs are being discharged. The Chief Executive Officer/Chief Financial Officer presents this report to the Resources Committee which comprises of five members of the board of Trustees. The report includes action points identifying any areas for improvement.

Review of Effectiveness

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

- the internal audit service from Schools' Choice
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on 12 December 2019 and signed on its behalf by:



Stephen Carr
Chair of Trustees



Sarah Skinner
Accounting Officer

South Suffolk Learning Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of South Suffolk Learning Trust Academy Trust I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Financial Academies Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Sarah Skinner
Accounting Officer



12 December 2019

South Suffolk Learning Trust

Statement of Trustees' Responsibilities

The trustees (who act as trustees for charitable activities of South Suffolk Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare the 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 year. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by the order of the board of trustees on 12 December 2019 and signed on its behalf by:



Stephen Carr
Chair of Trustees

South Suffolk Learning Trust

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH SUFFOLK LEARNING TRUST YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of South Suffolk Learning Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

South Suffolk Learning Trust

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF SOUTH SUFFOLK LEARNING TRUST (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officers statement. Our opinion in the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

South Suffolk Learning Trust

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF SOUTH SUFFOLK LEARNING TRUST (continued)


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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


MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

13/12/19 (date)

South Suffolk Learning Trust

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH SUFFOLK LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Suffolk Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to South Suffolk Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Suffolk Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Suffolk Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Suffolk Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Suffolk Learning Trust's funding agreement with the Secretary of State for Education dated 1 March 2012, varied on 31 March 2016, and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

Delegated authorities: Carrying out the suggested procedures detailed in the Academies Accounts Direction 2018/19 Annex B section 4.4 – 4.10 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNTI have been complied with;

Transactions with connected parties: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B section 4.12 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

Governance: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its governance arrangements;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH SUFFOLK LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Approach (continued)

Internal controls: Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its internal controls;

Procurement: Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.18 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its procurement procedures; and

Income: Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Lovewell Blake LLP

MARK PROCTOR FCA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

13/12/19 (date)

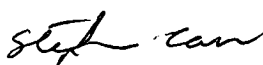
**Statement of Financial Activities for the year ended 31 August 2019
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Fund £'000	Total 2019 £'000	Total 2018 (restated) £'000
Income and endowments from:						
Donations and capital grants	2	72	7	353	432	1,093
Transfer on academy joining the academy trust	27	-	(2,358)	14,591	12,233	286
Transfer from local authority on conversion		-	-	-	-	3,308
Charitable activities:						
Funding for the academy trust's educational operations	3	436	16,237	-	16,673	12,415
Other trading activities	4	162	86	-	248	248
Investments	5	12	-	-	12	9
Total		<u>682</u>	<u>13,972</u>	<u>14,944</u>	<u>29,598</u>	<u>17,359</u>
Expenditure on:						
Raising funds	6	5	55	-	60	56
Charitable activities:						
Academy trust's educational operations	7	483	17,653	942	19,078	12,916
Total	8	<u>488</u>	<u>17,708</u>	<u>942</u>	<u>19,138</u>	<u>12,972</u>
Net income/(expenditure)		194	(3,736)	14,002	10,460	4,387
Transfers between funds	16	(456)	(28)	484	-	-
Other recognised gains and losses:						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	(1,824)	-	(1,824)	715
Net movement in funds		<u>(262)</u>	<u>(5,588)</u>	<u>14,486</u>	<u>8,636</u>	<u>5,102</u>
Reconciliation of funds						
Total funds brought forward (as previously reported)		1,690	(1,447)	36,895	37,138	32,970
Prior period adjustment	28	-	-	934	934	-
Total funds brought forward (restated)		<u>1,690</u>	<u>(1,447)</u>	<u>37,829</u>	<u>38,072</u>	<u>-</u>
Total funds carried forward	16	<u><u>1,428</u></u>	<u><u>(7,035)</u></u>	<u><u>52,315</u></u>	<u><u>46,708</u></u>	<u><u>38,072</u></u>

Balance Sheet as at 31 August 2019

	Notes	2019 £000	2018 (restated) £000
Fixed assets			
Tangible assets	12	52,505	37,886
Current assets			
Stocks		9	5
Debtors	13	700	616
Cash at bank and in hand		2,285	2,493
		2,994	3,114
Liabilities			
Creditors: amounts falling due within one year	14	(1,330)	(976)
Net current assets		1,664	2,138
Total assets less current liabilities		54,169	40,024
Creditors: amounts falling due after more than one year	15	(250)	(263)
Net assets excluding pension liability		53,919	39,761
Defined benefit pension scheme liability	25	(7,211)	(1,689)
Net assets including pension liability		46,708	38,072
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	16	52,315	37,829
- General funds	16	176	242
- Pension reserve	16	(7,211)	(1,689)
Total restricted funds		45,280	36,382
Unrestricted funds			
- General fund	16	1,368	1,630
- Designated fund	16	60	60
Total unrestricted funds		1,428	1,690
Total Funds		46,708	38,072

The financial statements on pages 24 to 45 were approved by the trustees, and authorised for issue on 12 December 2019 and are signed on their behalf by:



Stephen Carr
Chair of Trustees

Cash Flow Statement for the year ended 31 August 2019

	Notes	2019 £000	2018 (restated) £000
Cash flows from operating activities			
Net cash provided by operating activities	20	414	659
Cash flows from investing activities	22	(605)	(90)
Cash flows from financing activities	21	(17)	<u>120</u>
Change in cash and cash equivalents in the reporting period		(208)	689
Cash and cash equivalents at 1 September 2018		<u>2,493</u>	<u>1,804</u>
Cash and cash equivalents at 31 August 2019	23	<u>2,285</u>	<u>2,493</u>

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

1. Statement of Accounting Policies

General information

South Suffolk Learning Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 3 of these financial statements. The nature of the academy trust's operations and principal activities are set out in the Trustees Report on pages 4 to 12.

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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

1. Statement of Accounting Policies (continued)

Expenditure

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

- **Raising funds** - includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities** - costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	2%
Leasehold land	Over the period of the lease
Plant and Machinery	20%
Furniture and equipment	20%
Computer equipment and software	33%
Motor vehicles	20%

No depreciation is charged on assets that are not brought into use by the balance sheet date.

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

Liabilities

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

Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Provisions

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

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

Leased Assets

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

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

1. Statement of Accounting Policies (continued)

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Redundancy

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the academy are accounted for on an accruals basis and included within employee benefits.

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

1 Statement of Accounting Policies (continued)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018 (restated)
	£000	£000	£000	£000
Capital grants	-	353	353	1,059
Donations	72	7	79	34
	<u>72</u>	<u>360</u>	<u>432</u>	<u>1,093</u>
	=====	=====	=====	=====

Income from donations and capital grants was £432k (2018: £1,093k) of which £72k was unrestricted (2018: £34k), £353k restricted (2018: £1,059k), and £7k restricted fixed assets (2018: £Nil). Donations and capital grants include government grants of £353k (2018: £1,059k).

3 Funding for the academy trust's educational operations

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018 (restated)
	£000	£000	£000	£000
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,380	14,380	11,076
Other DfE/ESFA grants	-	392	392	31
Pupil Premium	-	695	695	422
Rates relief	-	116	116	50
	<u>-</u>	<u>15,583</u>	<u>15,583</u>	<u>11,579</u>
	-----	-----	-----	-----
Other Government grants				
Local authority grants	-	202	202	114
	<u>-</u>	<u>202</u>	<u>202</u>	<u>114</u>
	-----	-----	-----	-----
Other income from educational operations				
Educational trips	6	452	458	371
Catering income	430	-	430	351
Insurance claim proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>436</u>	<u>452</u>	<u>888</u>	<u>722</u>
	-----	-----	-----	-----
	<u>436</u>	<u>16,237</u>	<u>16,673</u>	<u>12,415</u>
	=====	=====	=====	=====

Funding for the academy trust's educational operations was £16,673k (2018: £12,415k) of which £436k was unrestricted (2018: £351k), £16,237k restricted (2018: £12,064k), and £Nil restricted fixed assets (2018: £Nil).

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

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018 (restated)
	£000	£000	£000	£000
Income from services provided	67	32	99	154
Items sold	5	54	59	71
Hire of facilities	90	-	90	23
	<u>162</u>	<u>86</u>	<u>248</u>	<u>248</u>
	=====	=====	=====	=====

Other trading activities totalled £248k (2018: £248k) of which £162k was unrestricted (2018: £241k), £86k restricted (2018: £7k), and £Nil restricted fixed assets (2018: £Nil).

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018 (restated)
	£000	£	£000	£000
Short term deposits	12	-	12	9
	<u>12</u>	<u>-</u>	<u>12</u>	<u>9</u>
	=====	=====	=====	=====

Investment income totalled £12k (2018: £9k) of which £12k was unrestricted (2018: £9k), £Nil restricted (2018: £Nil), and £Nil restricted fixed assets (2018: £Nil).

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total 2018 (restated)
	£000	Premises £000	Other costs £000	£000	2018 £000
Expenditure on raising funds:	-	-	60	60	56
Academy's educational operations:					
Direct costs	11,652	942	1,292	13,886	9,896
Allocated support costs	1,423	1,161	1,268	3,852	2,730
FRS102 pension costs	1,340	-	-	1,340	290
	<u>14,415</u>	<u>2,103</u>	<u>2,620</u>	<u>19,138</u>	<u>12,972</u>
	=====	=====	=====	=====	=====

Expenditure was £19,138k (2018: £12,972k) of which £488k was unrestricted (2018: £432k), £17,708k restricted (2018: £12,321k), and £942k restricted fixed assets (2018: £163k).

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	16	4
Depreciation	942	223
Fees payable to auditor for:		
- Audit	13	12
- other services	7	7
	<u>978</u>	<u>246</u>
	=====	=====

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

7 Charitable Activities – Academy's educational operations

	Total 2019 £000	Total 2018 (restated) £000
Direct costs - educational operations	13,886	9,896
Support costs - educational operations	3,852	2,730
FRS102 pension costs	1,340	290
	19,078	12,916
	=====	=====
Analysis of Support costs		
Support staff costs	1,423	1,167
Technology costs	186	96
Premises costs	1,160	652
Other support costs	914	774
Governance costs	169	41
	3,852	2,730
	=====	=====
Analysis of Governance costs		
Auditor's remuneration	20	19
Legal and professional fees	149	22
	169	41
	=====	=====

8 Staff

a. Staff costs

	2019 £000	2018 (restated) £000
Staff costs during the year were:		
Wages and salaries	9,921	7,609
Social security costs	955	719
Other pension costs	3,101	1,627
	13,977	9,955
Agency staff costs	394	190
Staff restructuring costs	44	-
	14,415	10,145
	=====	=====

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £44k (2018: £Nil). Individually, the payments were: £23k, £10k and £11k.

c. Staff numbers

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

	2019	2018
Charitable Activities		
Teachers	201	166
Administration and support	203	165
Management	8	6
	412	337
	=====	=====

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

8 Staff (continued)

d. Higher paid staff

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

	2019	2018
£60,001 - £70,000	7	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension costs) received by key management personnel for their services to the academy trust was £712,799 (2018: £465,237).

9. Related Party Transactions – 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 governors or trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

S Skinner (Chief Executive Officer)
 Remuneration £95,000 - £100,000 (2018: £90,000 - £95,000)
 Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

During the period ended 31 August 2019, travel and subsistence expenses totalling £89 were reimbursed or paid directly to one trustee (2018: £Nil).

10. Trustees and officers' insurance

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

11. Central services

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

- the disbursement of income from improvement and capacity and start-up grants amongst the Schools to fund various projects
- the provision of a website
- the provision of the Board of Trustees
- the provision of IT support
- the provision of business management services including contract management, Health & Safety Management and energy procurement
- financial management services including invoice processing, payments, bank reconciliation, compliance, payroll & VAT returns

The academy trust charges for these services on an invoice basis. The actual amounts charged during the year were as follows:

	2019	2018
	£'000	£'000
East Bergholt High School	286	125
Claydon High School	234	98
Colchester Academy	123	-
Claydon Primary School	55	-
Hadleigh High School	195	103
	=====	=====
	893	326
	=====	=====

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

12. Tangible fixed assets

	Leasehold land and Buildings £000	Plant and machinery £000	Furniture and equipment £000	Computer equipment and software £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2018 (as restated)	39,509	409	94	308	9	40,329
Acquisitions	14,591	-	-	-	-	14,591
Additions	783	38	78	71	-	970
At 31 August 2019	54,883	447	172	379	9	55,890
Depreciation						
At 1 September 2018	1,829	310	80	215	9	2,443
Charge for year	840	37	9	56	-	942
At 31 August 2019	2,669	347	89	271	9	3,385
Net book values						
At 31 August 2019	52,214	100	83	108	-	52,505
At 31 August 2018	37,680	99	14	93	-	37,886

13. Debtors

	2019 £000	2018 (restated) £000
Trade debtors	24	4
VAT recoverable	168	97
Prepayments and accrued income	503	515
Other debtors	5	-
	700	616

14. Creditors: amounts falling due within one year

	2019 £000	2018 (restated) £000
Trade creditors	153	276
Other taxation and social security	260	193
Other creditors	246	184
Other creditors - loans	27	28
Accruals and deferred income	644	295
	1,330	976
Deferred income		
Deferred income at 1 September 2018	243	172
Resources deferred in year	375	243
Amounts released from previous year	(243)	(172)
Deferred income at 31 August 2019	375	243

Deferred income relates to income received in advance for educational trips and school events and productions.

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

15. Creditors: amounts falling due after more than one year

	2019	2018
	£000	(restated)
	£000	£000
Other creditors - loans	250	263
	=====	=====

Included within other creditors are loans, as follows:

- An interest free loan from ESFA under CIF of £19k in respect of Hadleigh High School's roof
- An interest free loan from Suffolk County Council of £3k in respect of Hadleigh High School's gas boiler and heating
- A loan from ESFA under Condition Improvement Fund of £82k in respect of East Bergholt High School
- An interest free loan from Salix of £19k in respect of East Bergholt High School
- A loan from ESFA under Condition Improvement Fund of £100k in respect of East Bergholt High School's teaching block
- A loan from ESFA under Condition Improvement Fund of £25k in respect of East Bergholt High School's roof
- A loan from ESFA under Condition Improvement Fund of £25k in respect of Claydon High School

All loans are repayable in monthly instalments over 8 – 10 years. Interest is payable on the Condition Improvement Fund loans at the current Public Works Loan Board interest rate. £115k (2018: £131k) is due over 5 years.

	2019	2018
	£000	(restated)
	£000	£000
The future loan repayments are:		
Amounts due within one year	27	31
Amounts due between one and five years	134	132
Amounts due after five years	116	131
	=====	=====

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

16. Funds

	Balance at 1 September 2018 (restated) £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant	242	14,380	(14,418)	(28)	176
Other DfE/ESFA Grant	-	1,087	(1,087)	-	-
Rates relief	-	116	(116)	-	-
Other restricted funds	-	747	(747)	-	-
Pension reserve	(1,689)	(2,358)	(1,340)	(1,824)	(7,211)
	<u>(1,447)</u>	<u>13,972</u>	<u>(17,708)</u>	<u>(1,852)</u>	<u>(7,035)</u>
Restricted Fixed Assets					
Transfer on conversion and joining academies	34,388	14,591	(777)	-	48,202
DfE/ESFA capital grants	2,738	353	(111)	456	3,436
Capital expenditure from GAG	245	-	(39)	28	234
Capital expenditure from other funds	458	-	(15)	-	443
	<u>37,829</u>	<u>14,944</u>	<u>(942)</u>	<u>484</u>	<u>52,315</u>
Total Restricted Funds	<u>36,382</u>	<u>28,916</u>	<u>(18,650)</u>	<u>(1,368)</u>	<u>45,280</u>
Unrestricted funds					
General funds	1,630	682	(488)	(456)	1,368
Designated fund	60	-	-	-	60
Total unrestricted funds	<u>1,690</u>	<u>682</u>	<u>(488)</u>	<u>(456)</u>	<u>1,428</u>
Total Funds	<u>38,072</u>	<u>29,598</u>	<u>(19,138)</u>	<u>(1,824)</u>	<u>46,708</u>
	=====	=====	=====	=====	=====

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

General Annual Grant: This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grant: This funding includes pupil premium income used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals and a PE and sport premium used to help improve the quality of the PE and sport activities offered to pupils

Other ESFA Grants includes Pupil Premium of £695k which was fully spent as at 31 August 2019. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019. The academy trust is carrying forward a balance on the General Annual Grant fund of £187k, a balance of £Nil on other restricted general funds and a net surplus of £1,473k of unrestricted funds, of which £60k has been designated for future expenditure on replacing the 3G football pitch.

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

16. Funds (Continued)

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

	Balance at 1 September 2017	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2018 (restated)
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant	192	11,076	(11,026)	-	242
Other DfE/ESFA Grant	-	422	(422)	-	-
Rates relief	-	49	(49)	-	-
Other restricted funds	10	524	(534)	-	-
Pension reserve	(1,897)	(217)	(290)	715	(1,689)
	<u>(1,695)</u>	<u>11,854</u>	<u>(12,321)</u>	<u>715</u>	<u>(1,447)</u>
Restricted Fixed Assets					
Gifted on conversion and joining academies	30,714	3,686	(12)	-	34,388
DfE/ESFA capital grants	1,792	1,059	(113)	-	2,738
Capital expenditure from GAG	328	-	(83)	-	245
Capital expenditure from other funds	469	-	(11)	-	458
	<u>33,303</u>	<u>4,745</u>	<u>(219)</u>	<u>-</u>	<u>37,829</u>
Total Restricted Funds	<u>31,608</u>	<u>16,599</u>	<u>(12,540)</u>	<u>715</u>	<u>36,382</u>
Unrestricted funds					
General funds	1,317	760	(432)	(15)	1,630
Designated fund	45	-	-	15	60
	<u>1,362</u>	<u>760</u>	<u>(432)</u>	<u>-</u>	<u>1,690</u>
Total unrestricted funds	<u>1,362</u>	<u>760</u>	<u>(432)</u>	<u>-</u>	<u>1,690</u>
Total Funds	<u>32,970</u>	<u>17,359</u>	<u>(12,972)</u>	<u>715</u>	<u>38,072</u>
	=====	=====	=====	=====	=====

Analysis of academies by fund balance

Fund balances as at 31 August 2019 were allocated as follows:

	Total £000	Total £000
East Bergholt High School	296	514
Hadleigh High School	676	847
Claydon High School	314	438
Claydon Primary School	111	146
Colchester Academy	242	-
Central Services	(35)	(13)
	<u>1,604</u>	<u>1,932</u>
Restricted Fixed Asset Fund	52,315	37,829
Pension reserve	(7,211)	(1,689)
	<u>46,708</u>	<u>38,072</u>
Total	=====	=====

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

16. Funds (continued)

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	Total
	£000	£000	£000	£000	£000
East Bergholt High School	3,316	260	384	771	4,731
Hadleigh High School	2,706	227	264	501	3,698
Claydon High School	2,686	267	265	508	3,726
Claydon Primary School	1,293	82	85	217	1,677
Colchester Academy	1,379	235	126	282	2,022
Central costs	272	352	4	374	1,002
	<u>11,652</u>	<u>1,423</u>	<u>1,128</u>	<u>2,653</u>	<u>16,856</u>
	=====	=====	=====	=====	=====

17. Analysis of net assets between funds

	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	Total Funds
	£000	£000	£000	£000
Funds balances at 31 August 2019 are represented by				
Tangible fixed assets	-	-	52,505	52,505
Current assets	1,428	1,479	87	2,994
Current liabilities	-	(1,303)	(27)	(1,330)
Non-current liabilities	-	-	(250)	(250)
Pension scheme liabilities	-	(7,211)	-	(7,211)
Total net assets	<u>1,428</u>	<u>(7,035)</u>	<u>52,315</u>	<u>46,708</u>
	=====	=====	=====	=====

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

	Unrestricted funds	Restricted General Funds	Restricted Fixed asset funds	Total Funds (restated)
	£000	£000	£000	£000
Funds balances at 31 August 2018 are represented by				
Tangible fixed assets	-	-	37,886	37,886
Current assets	1,690	1,188	236	3,114
Current liabilities	-	(946)	(30)	(976)
Non-current liabilities	-	-	(263)	(263)
Pension scheme liabilities	-	(1,689)	-	(1,689)
Total net assets	<u>1,690</u>	<u>(1,447)</u>	<u>37,829</u>	<u>38,072</u>
	=====	=====	=====	=====

18. Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements:		
- to be met from CIF funding	-	197
- to be met from academy trust's reserves	-	102
	<u>-</u>	<u>299</u>
	=====	=====

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

19. Commitments under operating leases

	2019	2018 (restated)
	£000	£000
Operating leases		
At 31 August 2019 the Academy Trust's future minimum lease payments under non-cancellable operating leases was:		
Amounts due within one year	19	17
Amounts due between one and five years	47	57
	=====	=====

20. Reconciliation of net income to net cash inflows

	2019	2018 (restated)
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	10,460	4,387
Depreciation (note 12)	942	223
Transfer of assets on joining the academy trust	-	(3,400)
Transfer on academy joining the academy trust	(14,591)	(286)
Capital grants from DfE and other capital income	(353)	(1,065)
Interest receivable (note 5)	(12)	(9)
Defined benefit liability inherited	2,358	217
Defined benefit pension scheme cost less contributions payable (note 25)	1,168	238
Defined benefit pension scheme finance cost (note 25)	172	52
(Increase) in stocks	(4)	(2)
(Increase)/decrease in debtors	(84)	96
Increase in creditors	358	208
Net cash provided by operating activities	414	659
	=====	=====

21. Cash flows from financing activities

	2019	2018 (restated)
	£	£000
Cash inflows from new loans	-	150
Cash outflows from loan repayments	(17)	(30)
Net cash (used in)/provided by financing activities	(17)	120
	=====	=====

22. Cash flows from investing activities

	2019	2018 (restated)
	£000	£000
Interest received	12	9
Purchase of tangible fixed assets	(970)	(1,164)
Capital grants from DfE/ESFA	353	1,065
Net cash flow (used in) investing activities	(605)	(90)
	=====	=====

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

23. Analysis of cash and cash equivalents

	2019	2018
	£000	(restated)
		£000
Cash in hand and at bank	2,285	2,493
Total cash and cash equivalents	2,285	2,493
	=====	=====

24. Members' Liability

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

25. Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council and Essex County Council (Colchester Academy). Both are multi-employer 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 March 2016.

Contributions amounting to £246k (2018: £179k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £1,088k (2018: £929k).

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

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

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

25. Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £831k (2018: £506k), of which employer's contributions totalled £673k (2018: £409k) and employees' contributions totalled £158k (2018: £97k). The agreed contribution rates for future years are 25.1% (2019/20), 24.1% (2020/21), 23.1% (2021/22) and 22.1% (2022/23)

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

Principal Actuarial Assumptions

	At 31 August 2019	At 31 August 2018
	% p.a.	% p.a.
Pension increase rate	2.20 – 2.30	2.40
Salary increase rate	2.60 – 3.70	2.70
Discount rate	1.80 – 1.85	2.80

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2018

	At 31 August 2019	At 31 August 2018
	£000	£000
0.5% decrease in Real Discount Rate	1,485	980
0.5% increase in Salary increase rate	344	160
0.5% increase in Pension increase rate	1,271	808

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

	At 31 August 2019	At 31 August 2018
	Years	Years
<i>Current pensioners</i>		
Male	21.3	21.9
Female	23.5-23.6	24.4
<i>Future pensioners</i>		
Male	22.3-23.0	23.9
Female	24.9-25.4	26.9

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

25. Pensions and similar obligations (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	5,339	3,958
Gilts	135	-
Bonds	2,125	1,724
Property	1,816	638
Cash	154	64
Alternative assets	271	-
Other managed funds	134	-
Total market value of assets	9,974	6,384
Present value of scheme liabilities	(17,185)	(8,073)
Deficit in the scheme	(7,211)	(1,689)

None of the fair values of the assets shown above include any of the academy trust's own financial instruments or any property occupied by, or other assets used by, the academy trust.

The return on the Fund in market value terms for the year to 31 August 2019 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. The actual return on scheme assets was £617k (2018: £278k)

Amounts recognised in the statement of financial activities

	2019 £000	2018 (restated) £000
Current service cost	974	647
Net interest cost	172	52
Total operating charge	1,146	699

Changes in the present value of defined benefit obligations:

	2019 £000	2018 (restated) £000
At 1 September	8,073	7,193
Current service cost	974	647
Past service cost	99	-
Effect of non-routine settlements	1,124	-
Transferred in on academies joining academy trust	4,249	-
Transferred on conversion	-	591
Interest cost	438	191
Employee contributions	158	97
Actuarial (gain)/loss	2,175	(576)
Benefits paid	(105)	(70)
At 31 August	17,185	8,073

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

25. Pensions and similar obligations (continued)

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

	2019	2018
	£000	(restated)
		£000
At 1 September	6,384	5,296
Transferred in on academies joining academy trust	1,891	-
Transferred on conversion	-	374
Interest income	266	139
Actuarial gain/(loss)	351	139
Employer contributions	673	409
Employee contributions	158	97
Effect of non-routine settlements	356	-
Benefits paid	(105)	(70)
	<hr/> 9,974	<hr/> 6,384
At 31 August		

26. Related Party Transactions

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

Expenditure Related Party Transaction

Mr Ian Piddington – husband of Ms Maeve Taylor (Headteacher of Claydon High School)

- The academy trust purchased timetable support services from Mr Piddington totalling £10,000 (2018: £Nil) during the period. There were no amounts outstanding at 31 August 2019 (2018: £Nil)
- An exercise was done to check availability and cost of similar services and it was determined that this service was the best in terms of price and quality
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018

No other related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 9.

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

27. Existing academy trust joining the MAT

On 1 March 2019 Colchester Academy, an academy in a multi academy trust, moved to South Suffolk Learning Trust. All operations and assets and liabilities were transferred to South Suffolk Learning Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial activities as Donations – transfer of existing academy joining the academy trust.

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

	Value reported by transferring trust £000	Fair Value Adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	14,591	-	14,591
Pensions			
Pensions – pension scheme assets	1,891	-	1,891
Pensions – pension scheme liabilities	(4,249)	-	(4,249)
	<u>12,233</u>	<u>-</u>	<u>12,233</u>
	=====	=====	=====

28. Prior year adjustment

Prior year adjustments have been made to the financial statements relating to the accounting period ending 31 August 2019. These correspond to errors resulting from a change in accounting policy in relation to the depreciation of leasehold land and buildings and the recognition of the net book value of tangible fixed assets upon transfer of Hadleigh High School joining the academy trust in 2017.

The prior year financial statements have been restated to correct the following:

	As previously reported £000	Prior year adjustment £000	Restated £000
Statement of Financial Activities			
<u>Income</u>			
Transfer on academy joining the academy trust	-	286	286
<u>Expenditure</u>			
Charitable activities: Direct costs - premises	867	(648)	219
Balance Sheet			
Tangible fixed assets – additions	1,157	286	1,443
Tangible fixed assets – depreciation charge	867	(648)	219
Restricted fund asset fund:	36,895	934	37,829

It is considered impractical to retrospectively apply the adjustment to each of the periods affected, therefore the whole adjustment has been recognised in the prior year.

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

29. Financial instruments

The carrying amounts of the academy trust's financial instruments are as follows:

<i>Financial assets</i>	2019	2018
	£000	(restated) £000
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	24	4
Accrued income (note 13)	<u>242</u>	<u>269</u>
	266	273
	=====	=====
<i>Financial liabilities</i>	2019	2018
	£000	(restated) £000
Measured at fair value through net expenditure		
Concessionary loans payable (notes 14 and 15)	277	293
Measured at amortised cost:		
Trade creditors (note 14)	153	276
Other creditors (note 14)	246	182
Accruals (note 14)	<u>269</u>	<u>48</u>
	668	506
	=====	=====