

**South Suffolk Learning Trust**



**South Suffolk Learning Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 August 2020**



**Company Registration Number: 7682993**  
**(England and Wales)**

## **South Suffolk Learning Trust**

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	4-13
Governance Statement	14-18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21-23
Independent Reporting Accountant's Report on Regularity	24-25
Statement of Financial Activities incorporating Income & Expenditure Account	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Financial Statements	29-45

## **South Suffolk Learning Trust**

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

<b>Members</b>	Mr Stephen Carr Mr Peter Espley (resigned 29 October 2019) Mr Ian Rossiter (appointed 12 December 2019) Mr Martin Redbond Mr Ralph Tyldesley Mr David White (appointed 12 December 2019)
<b>Trustees</b>	Ms Julie Mulcahy (Chair) (appointed 21 May 2020) Ms Linda Bamford Mr Stephen Carr (resigned 17 September 2020) Ms Sarah Dignasse (appointed 8 May 2020) Ms Prema Dorai (appointed 12 December 2019, resigned 24 February 2020) Ms Bryony Godfrey Mrs Claire Lincoln-White (appointed 21 May 2020) Ms Diana Porter (resigned 6 February 2020) Mrs Sarah Skinner (CEO) Mr Gareth Spinner (resigned 17 September 2020) Mr Jonathan Waters Ms Rosanne Wijnberg
<b>Company Secretary</b>	Mr Rob Barnes (resigned 31 January 2020) Mrs Nicola Foxwell (appointed 25 September 2019)
<b>Senior Managers</b> <ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Chief Finance Officer</li><li>• Headteacher Claydon High School</li><li>• Headteacher East Bergholt High School</li><li>• Headteacher Hadleigh High School</li><li>• Headteacher Colchester Academy</li><li>• Headteacher Claydon Primary School</li></ul>	Mrs Sarah Skinner Mr Peter Moore (appointed 26 June 2020) Mr Rob Barnes (resigned 31 January 2020) Ms Maéve Taylor Mr Daniel Woodcock (appointed 1 January 2020) Mr Colin Turner (retired 31 December 2019) Mrs Nicola Shingleton Mrs Jenny Betts Mr Louis Collins (appointed 1 January 2020)
<b>Company Name</b>	South Suffolk Learning Trust
<b>Registered Office</b>	Heath Road, East Bergholt, Colchester, Essex CO7 6RJ
<b>Company Registration Number</b>	7682993 (England and Wales)
<b>Auditor</b>	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
<b>Bankers</b>	Lloyds Bank plc 27 High Street Colchester CO1 1DU
<b>Solicitors</b>	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 1 September 2019 to 31 August 2020. 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 pupil capacity of 4110 and had a roll of 3698 in the school census on 1 October 2020.

### 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 two members were recruited. 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:

Stephen Carr  
Peter Espley (resigned 29 October 2019)  
Ian Rossiter (appointed 12 December 2019)  
Martin Redbond  
Ralph Tyldesley  
David White (appointed 12 December 2019)

The academy trust has the following trustees:

*denotes Resources Committee	Julie Mulcahy (Chair) (appointed 21 May 2020)
	Linda Bamford
	Stephen Carr (resigned 17 September 2020)*
	Sarah Dignasse (appointed 8 May 2020)
	Prema Dorai (appointed 12 December 2019, resigned 24 February 2020)
	Bryony Godfrey*
	Claire Lincoln-White (appointed 21 May 2020)
	Diana Porter (resigned 6 February 2020)
	Sarah Skinner (CEO)*
	Gareth Spinner* (resigned 17 September 2020)
	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 paycales are set in accordance with the national Teaching and Support staff paycales. 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 2019 and 31 March 2020 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	£4,175
Provide the total pay bill	£16,038,570
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%
---	----

#### 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 2019.

#### ***Engagement with employees (including disabled persons)***

The Trustees take active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in our decision-making.

The Trust has a number of effective workforce engagement mechanisms in place across all schools:

- employees are well informed regarding the wellbeing programme and all have line managers with which to raise concerns
- The vision, values and core purpose is reviewed and shared with colleagues
- This year sees the start of a half termly newsletter to ensure employees are kept informed, up to date and to allow for the celebration of success and achievement.
- We have an equalities policy that is reviewed regularly to ensure all employees, particularly with one of the protected characteristics are treated fairly and openly
- Heads undertake staff questionnaires and reviews with their colleagues
- Continuing professional development is encouraged and supported through a number of staff development days

The Trustees are updated regularly through the Pay & HR committee and considers that, taken together, these arrangements, deliver an effective means of ensuring that the Trust stays alert to the views of the workforce.

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 occurs on inset days throughout the year as well as link meetings of departments across the academy trust.

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

The academy trust is committed to equal opportunities in employment and to avoiding unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy. The Trust will uphold its obligations under the Equality Act 2010 ("the Act") not to discriminate directly or indirectly in any of its activities against employees or applicants for employment on the grounds of the protected characteristics.

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. The schools will make reasonable adjustments to allow access to staff and visitors with physical, sensory or mental impairments and will also make reasonable adjustments in the recruitment and employment of disabled people. This may include adjustments to recruitment and selection procedures, terms and conditions of employment, working arrangements and physical changes to the premises or equipment. The Schools will take account of recommendations from Access to Work and any medical professionals. The Schools will not discriminate during recruitment and ongoing staff development including training, promotion, pay and benefits due to any impairment.

## South Suffolk Learning Trust

### Trustees' Report (continued)

#### ***Engagement with suppliers, customers and others in a business relationship with the Trust***

Throughout the year the Trustees were briefed on major contract renegotiations and strategy with regard to key suppliers, notably the re-tendering of grounds maintenance and cleaning contracts. The Board seeks to balance the benefits of maintaining strong partnering relationships with key suppliers alongside the need to obtain value for money and the desired quality and service levels.

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms adhered to. To ensure service continuity during and after the current COVID-19 outbreak, South Suffolk Learning Trust has followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment to their suppliers.

The Trustees consider pupils and parents to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents is through face to face meetings, via email, through the use of a parental portal and online with each School website incorporating a news section. During the COVID-19 outbreak our schools engaged pupils through an online learning platform and online learning materials.

#### ***Objectives and Aims***

The vision of the South Suffolk Learning Trust is as follows:

**Our Core Purpose:** Our young people have only one chance at their education. We have to make it count!

**Our Mission:** Excellence through collaboration.

**Our Vision:** Working with our community, we want all our learners to be effective communicators, independent, resilient, and creative, with a life-long passion for learning. They will conduct themselves with exceptional character, showing empathy, tolerance, and integrity at all times. Equipped with these attributes, and benefiting from exemplary teaching and provision, they will achieve highly, and secure excellent destinations. They will be happy, successful, and able to make a positive contribution to the world.

**Our Values:** Showing respect and tolerance—valuing relationships—being inclusive—celebrating achievement—demonstrating positivity.

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 and 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.
- Help students to develop rational thinking skills that enable them to make informed decisions on their own which will lead students to recognise their responsibilities as citizens and to appreciate and value others.
- Provide students with opportunities to develop their leadership skills thus creating independent learners with the capacity and enthusiasm to continue learning throughout their lives
- 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.



## **South Suffolk Learning Trust**

### **Trustees' Report (continued)**

#### ***Objectives and Aims (continued)***

- 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 and encourage students to understand and exercise a successful balance between their own rights and their responsibility for others.
- Foster a respect for the environment and work in partnership with parents and the wider community to achieve this.

#### ***Strategies and Activities***

We continue to pursue growth opportunities as they arise. A recent free school application was submitted in 2020 and we have been asked to speak to an interested Primary school regarding conversion. We await the outcomes of the discussion.

#### ***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 further development and refinement of the Corporate Services Team took place during 2019/20. The aim was to further strengthen the delivery of services to schools, particularly in the area of finance. This has led to some restructuring and redefining of roles. We now have a highly effective and high functioning offer for schools. Work has been undertaken on the central office to create further work areas and meeting spaces.

Having reached the threshold for SCA funding the Estates Plan has been redrafted to ensure all essential works are undertaken within the parameters of the funding. Significant projects have been undertaken and all areas identified as high risk have been completed and we are now largely through the completion of medium ragged areas of work.

Our Trust CPD offer for staff and governors has been further developed and we now offer the following programmes:

- Leaders for the future;
- Outstanding teacher programme;
- Improving teacher programme;
- Perfecting your practice programme;
- New to Middle Leadership programme;
- Power of coaching programme;
- Safer recruitment

Due to the pandemic we have not run as many courses in the spring and summer term, however these are already in place for the coming year

The academy trust has grown in reputation and the CEO was asked to speak at a DfE event last 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, the pandemic has slowed some of the extracurricular and trip opportunities but we endeavour to get these back in place as soon as we are able.

# South Suffolk Learning Trust

## Trustees' Report (continued)

### Key Performance Indicators

#### Public examination performance

DfE Performance Indicator	Claydon High School	East Bergholt High School	Hadleigh High School	Colchester Academy
Attainment 8	53.5	52.9	48.0	42.7
% of students achieving 9-5 in Eng & Ma	67%	52%	45%	34%
% of students entered for the EBacc	42%	42%	29%	7%
% of students achieving the EBacc	53%	51%	77%	50%

#### Claydon Primary School

Due to the pandemic we have no primary results to report.

### 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.

### Promoting the success of the company

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charity Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

South Suffolk Learning Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our Local Governing Board and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

### Financial Review

The academy trust's financial statements for the year ended on 31 August 2020 include financial activities for 12 months for East Bergholt High School, Claydon High School, Hadleigh High School Claydon Primary School and 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, Hadleigh High School and Claydon Primary School, with 6 months for Colchester Academy.

Most of the academy trust's income is derived 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 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Excluding transfers and donated fixed assets of £2,424k, grant funding from the ESFA and other income amounted to £21,577k (2019: £17,365k) with total expenditure of £21,745k (2019: £19,138k). The resultant overall net surplus of £2,256k (2019: £10,460k) is after charging net pension costs under FRS102 of £588k (2019: £1,340k) and depreciation of £1,254k (2019: £942k), with capital funding of £978k (2019: £353k) and donated fixed assets of £2,424k.

The in-year result (excluding transfers in and movements on the pension reserve and restricted fixed asset funds) was an overall surplus of £247k (2019: deficit £328k) comprising a deficit on unrestricted funds of £297k (2019: deficit £262k) and a surplus on restricted general funds of £544k (2019: deficit £66k).

At 31 August 2020 the net book value of fixed assets was £54,566k (2019: £52,505k). 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.

## South Suffolk Learning Trust

### Trustees' Report (continued)

#### Financial Review (continued)

Assets of £3,315k (2019: £970k) were acquired during the year ended 31 August 2020, of which £442k (2019: £486k) were financed by capital grants. Assets of £2,873k (2019: £484k) were acquired in addition to those assets financed by capital grants. Assets of £357k (2019: £28k) were financed using current year General Annual Grant (GAG), £2,424k (2019: £Nil) were donated by the local authority, £Nil (2019: £Nil) were financed by other restricted funds and £92k (2019: £456k) 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 £7,083k (2019: £7,211k) is included within the balance sheet as at 31 August 2020 and supporting notes to the financial statements.

Fund surplus balances excluding pension and restricted fixed asset reserves at 31 August 2020 were:

	£000
Claydon Primary School	75
Claydon High School	321
East Bergholt High School	301
Hadleigh High School	712
Colchester Academy	537
Central services	(95)
<b>Total</b>	<b><u>1,851</u></b>

#### Use of Reserves

##### Claydon Primary School

The school has increased in pupil numbers and reserves have been utilised to sustain this growth mainly in the development of facilities to support the learners resulting in a decrease in reserves compared with 2018/19.

##### Claydon High School

The reserves have remained static compared to 2018/19 with plans to utilise an element of the reserves in 2020/21 to support projects delayed by the COVID-19 pandemic.

##### East Bergholt High School

The reserves have remained constant and some of the existing reserves are to be utilised in 2020/21 for some projects that need completing in response to the pandemic.

##### Hadleigh High School

Reserves have increased in the 2019/20 financial year due to projects being delayed caused by the COVID-19 pandemic. The 2020/21 budget includes plans to utilise a proportion of these reserves to complete these projects.

##### Colchester Academy

Colchester Academy increased their reserves largely due to projects that were delayed due to COVID-19 and savings have been made during the year as a result of being partially closed. It is planned to utilise reserves in 2020/21 to support a number of the delayed projects.

#### Reserves Policy

As at 31 August 2020 the academy trust had reserves totalling £1,851k (2019: £1,604k) calculated as restricted general funds, excluding pension liabilities, plus unrestricted reserves. Of this total, £1,131k (2019: £1,428k) 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 (2019: £60k) of designated funds for the replacement of the 3G football pitch. The total restricted general funds (excluding pension reserve) at 31 August 2020 was £720k (2019: £176k).

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 received a Schools Capital Grant to the value of £771k. This replaces the academy trust's ability to apply for Condition Improvement Funding and is being spent on a capital improvement programme agreed by trustees.

## South Suffolk Learning Trust

### Trustees' Report (continued)

#### Investment Policy

The trust does not hold any long-term investments. Cash surpluses may be placed upon fixed term deposit with the trust's bankers.

#### 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
- The full financial impact of COVID-19 is currently unknown and it is assumed there will be no additional funding for any shortfall

#### 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 2020 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.

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,899,345
Energy consumption breakdown (kWh) (optional)	
• Gas	3,441,732
• Electricity	1,429,210
• Transport fuel	28,403
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	632.83
Owned transport – minibuses	3.15
Total scope 1	635.98
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	333.21
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	2.90
Total gross emissions in metric tonnes CO2e	972.09
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.27

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Data includes recordable energy for all schools within the trust. Gas and electricity data has been obtained from supplier billing records and from finance records for transport fuel. Heating oil is used in one location, but this has been discounted as being of a negligible amount, with usage not being easily recordable.

## **South Suffolk Learning Trust**

### **Trustees' Report (continued)**

#### **Streamlined Energy and Carbon Reporting (continued)**

##### **Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil taken from the October 2019 pupil census, the recommended ratio for the sector. The 2019/20 reporting period included the partial closure of all schools as a result of the Covid pandemic, but this was during a period of seasonal reduced energy usage and do not believe this had a material impact on the data for the full year. We will review this along with other trends in data in future years, should an academy join or leave the trust or as a result of variations in energy usage.

##### **Measures taken to improve energy efficiency**

South Suffolk Learning Trust are committed to using energy efficiently and carefully. Students are encouraged to be take responsibility for energy usage and consumption. We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

##### **Plans for Future Periods**

Plans for 2020-21 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

##### **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 17/2/20 and signed on its behalf by:



**Julie Mulcahy**  
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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 five times during the year (the meeting on 26 March 2020 was cancelled due to lockdown). Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Carr	5	5
Linda Bamford	4	5
Sarah Dignasse	2	2
Prema Dorai	2	2
Bryony Godfrey	4	5
Claire Lincoln-White	1	1
Julie Mulcahy	2	2
Diane Porter	2	2
Sarah Skinner	5	5
Gareth Spinner	3	5
Jonathan Waters	3	5
Rosanne Wijnberg	5	5

The **Finance Risk & Audit 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.

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

Trustee	Meetings attended	Out of a possible
Stephen Carr	4	5
Claire Lincoln-White	1	1
Sarah Skinner	5	5
Gareth Spinner	3	5
Jonathan Waters	5	5
Rosanne Wijnberg	5	5

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;

## South Suffolk Learning Trust

### Governance Statement (continued)

- 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.

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.

## South Suffolk Learning Trust

### Governance Statement (continued)

- 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.
  - 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 appropriate. 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;



## **South Suffolk Learning Trust**

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

- 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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval for the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### ***The Risk and Control Framework***

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews 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 or the school resource management self assessment tool

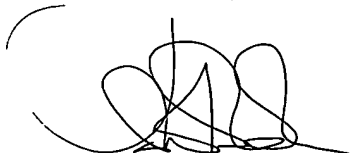
## South Suffolk Learning Trust

### Governance Statement (continued)

- 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 17.12.20 and signed on its behalf by:



**Julie Mulcahy**  
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 trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Financial Academies Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



**Sarah Skinner**  
Accounting Officer

## 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:

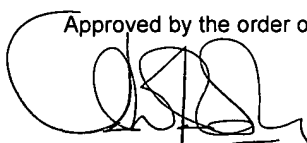
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 17.12.20 and signed on its behalf by:



**Julie Mulcahy**  
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 2020**

#### **Opinion**

We have audited the financial statements of South Suffolk Learning Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- 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 2019 and the Academies Accounts Direction 2019 to 2020 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 20, 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](http://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.

*Lowell Blake LLP*

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

17/12/2020 (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 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 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 2019 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 2019/20 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2019 regarding its governance arrangements;



## South Suffolk Learning Trust

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

#### Approach (continued)

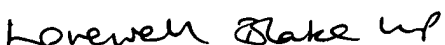
**Internal controls:** Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2019/20 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2019 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 2019/20 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 2019 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
MARK PROCTOR FCA DChA (Reporting Accountant)  
LOVEWELL BLAKE LLP

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

17/12/2020 (date)

**Statement of Financial Activities for the year ended 31 August 2020  
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Fund £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	8	-	3,402	<b>3,410</b>	432
Transfer on academy joining the academy trust	27	-	-	-	-	12,233
Charitable activities: Funding for the academy trust's educational operations	3	340	20,045	-	<b>20,385</b>	16,673
Other trading activities	4	166	38	-	<b>204</b>	248
Investments	5	2	-	-	<b>2</b>	12
<b>Total</b>		<b>516</b>	<b>20,083</b>	<b>3,402</b>	<b>24,001</b>	<b>29,598</b>
<b>Expenditure on:</b>						
Raising funds	6	3	36	-	<b>39</b>	60
Charitable activities: Academy trust's educational operations	7	711	19,741	1,254	<b>21,706</b>	19,078
<b>Total</b>	8	<b>714</b>	<b>19,777</b>	<b>1,254</b>	<b>21,745</b>	<b>19,138</b>
<b>Net income/(expenditure)</b>		<b>(198)</b>	<b>306</b>	<b>2,148</b>	<b>2,256</b>	<b>10,460</b>
Transfers between funds	16	(92)	(357)	449	-	-
<b>Other recognised gains and losses:</b> Actuarial gains/(losses) on defined benefit pension scheme	25	-	716	-	<b>716</b>	(1,824)
<b>Net movement in funds</b>		<b>(290)</b>	<b>665</b>	<b>2,597</b>	<b>2,972</b>	<b>8,636</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,428	(7,035)	52,315	46,708	38,072
<b>Total funds carried forward</b>	16	<b>1,138</b>	<b>(6,370)</b>	<b>54,912</b>	<b>49,680</b>	<b>46,708</b>

**Balance Sheet as at 31 August 2020**

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	12	<u>54,566</u>	<u>52,505</u>
<b>Current assets</b>			
Stocks		6	9
Debtors	13	603	700
Cash at bank and in hand		<u>3,326</u>	<u>2,285</u>
		<b>3,935</b>	<b>2,994</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	14	<u>(1,517)</u>	<u>(1,330)</u>
<b>Net current assets</b>		<u><b>2,418</b></u>	<u><b>1,664</b></u>
<b>Total assets less current liabilities</b>		<b>56,984</b>	<b>54,169</b>
Creditors: amounts falling due after more than one year	15	<u>(221)</u>	<u>(250)</u>
<b>Net assets excluding pension liability</b>		<u><b>56,763</b></u>	<u><b>53,919</b></u>
Defined benefit pension scheme liability	25	<u>(7,083)</u>	<u>(7,211)</u>
<b>Net assets including pension liability</b>		<u><u><b>49,680</b></u></u>	<u><u><b>46,708</b></u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	16	54,912	52,315
- General funds	16	713	176
- Pension reserve	16	<u>(7,083)</u>	<u>(7,211)</u>
<b>Total restricted funds</b>		<u><b>48,542</b></u>	<u><b>45,280</b></u>
<b>Unrestricted funds</b>			
- General fund	16	1,078	1,368
- Designated fund	16	<u>60</u>	<u>60</u>
<b>Total unrestricted funds</b>		<u><b>1,138</b></u>	<u><b>1,428</b></u>
<b>Total Funds</b>		<u><u><b>49,680</b></u></u>	<u><u><b>46,708</b></u></u>

The financial statements on pages 26 to 45 were approved by the trustees, and authorised for issue on 17.12.20 and are signed on their behalf by:

  
Julie Mulcahy  
Chair of Trustees

**Cash Flow Statement for the year ended 31 August 2020**

	<b>Notes</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>966</b>	414
<b>Cash flows from investing activities</b>	22	<b>89</b>	(605)
<b>Cash flows from financing activities</b>	21	<b>(14)</b>	(17)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,041</b>	(208)
<b>Cash and cash equivalents at 1 September 2019</b>		<b><u>2,285</u></b>	<b><u>2,493</u></b>
<b>Cash and cash equivalents at 31 August 2020</b>	23	<b><u>3,326</u></b>	<b><u>2,285</u></b>

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 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 13.

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 2019 to 2020 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.

The Trustees have taken into account the effects of COVID-19 in making this assessment.

#### 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.  
income.

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

#### • **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.

#### **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%

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

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

#### **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.

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1. Statement of Accounting Policies (continued)

#### 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.

#### 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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### 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 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1 Statement of Accounting Policies (continued)

#### 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

### 2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	978	978	353
Donations	8	2,424	2,432	79
	<u>8</u>	<u>3,402</u>	<u>3,410</u>	<u>432</u>
	=====	=====	=====	=====

Income from donations and capital grants was £3,410k (2019: £432k) of which £8k was unrestricted (2019: £72k), £Nil restricted (2019: £353k), and £3,402k restricted fixed assets (2019: £7k). Donations and capital grants include government grants of £3,402k (2019: £353k).



**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**3. Funding for the academy trust's educational operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	17,271	17,271	14,380
Other DfE/ESFA grants	-	1,092	1,092	392
Pupil Premium	-	886	886	695
Rates relief	-	115	115	116
	-	19,364	19,364	15,583
<b>Other Government grants</b>				
Local authority grants	-	392	392	202
<b>Other income from educational operations</b>				
Educational trips	1	230	231	458
Catering income	339	-	339	430
Insurance claim proceeds	-	59	59	-
	340	289	629	888
	340	20,045	20,385	16,673

Funding for the academy trust's educational operations was £20,385k (2019: £16,673k) of which £340k was unrestricted (2019: £436k), £20,045k restricted (2019: £16,237k), and £Nil restricted fixed assets (2019: £Nil).

**4. Other trading activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Income from services provided	112	2	114	99
Items sold	6	36	42	59
Hire of facilities	48	-	48	90
	166	38	204	248

Other trading activities totalled £204k (2019: £248k) of which £166k was unrestricted (2019: £162k), £38k restricted (2019: £86k), and £Nil restricted fixed assets (2019: £Nil).

**5. Investment Income**

	Unrestricted Funds £000	Restricted Funds £	Total 2020 £000	Total 2019 £000
Short term deposits	2	-	2	12

Investment income totalled £2k (2019: £12k) of which £2k was unrestricted (2019: £12k), £Nil restricted (2019: £Nil), and £Nil restricted fixed assets (2019: £Nil).

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6. Expenditure

	Staff Costs £000	<u>Non Pay Expenditure</u>		Total 2020 £000	Total 2019 £000
		Premises £000	Other costs £000		
Expenditure on raising funds:			36	36	60
Academy's educational operations:					
Direct costs	14,349	1,254	1,199	16,802	13,886
Allocated support costs	1,804	1,187	1,325	4,316	3,852
FRS102 pension costs	588	-	-	588	1,340
<b>Total expenditure</b>	<b>16,741</b>	<b>2,441</b>	<b>2,563</b>	<b>21,745</b>	<b>19,138</b>
	=====	=====	=====	=====	=====

Expenditure was £21,745k (2019: £19,138k) of which £714k was unrestricted (2019: £488k), £19,777k restricted (2019: £17,708k), and £1,254k restricted fixed assets (2019: £942k).

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	48	16
Depreciation	1,254	942
Fees payable to auditor for:		
- Audit	13	13
- other services	11	7
	=====	=====

7. Charitable Activities – Academy's educational operations

	Total 2020 £000	Total 2019 £000
Direct costs - educational operations	16,802	13,886
Support costs - educational operations	4,316	3,852
FRS102 pension costs	588	1,340
	=====	=====
	21,706	19,078
	=====	=====
<b>Analysis of Support costs</b>		
Support staff costs	1,688	1,423
Technology costs	168	186
Premises costs	1,187	1,160
Other support costs	1,088	914
Legal costs – other	161	149
Governance costs	24	20
	=====	=====
	4,316	3,852
	=====	=====
<b>Analysis of Governance costs</b>		
Auditor's remuneration	24	20
	=====	=====
	24	20
	=====	=====

**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**8. Staff**

**a. Staff costs**

	2020 £000	2019 £000
Staff costs during the year were:		
Wages and salaries	11,974	9,921
Social security costs	1,160	955
Other pension costs	3,299	3,101
	<hr/>	<hr/>
	16,433	13,977
Agency staff costs	245	394
Staff restructuring costs	63	44
	<hr/>	<hr/>
	16,741	14,415
	<hr/>	<hr/>

**b. Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £63k (2019: £44k). Individually, the payments were: £63k (£23k, £10k and £11k in 2019).

**c. Staff numbers**

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

	2020	2019
<b>Charitable Activities</b>		
Teachers	235	201
Administration and support	235	203
Management	7	8
	<hr/>	<hr/>
	477	412
	<hr/>	<hr/>

**d. Higher paid staff**

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

	2020	2019
£60,001 - £70,000	3	7
£70,001 - £80,000	3	-
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	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 £735,716 (2019: £712,799).

**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 £105,000 - £110,000 (2019: £95,000 - £100,000)
Employer's pension contributions £25,000 - £30,000 (2019: £15,000 - £20,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £595 were reimbursed or paid directly to two trustees (2019: one trustee £89).

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 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:

	2020	2019
	£'000	£'000
East Bergholt High School	268	286
Claydon High School	207	234
Colchester Academy	262	123
Claydon Primary School	90	55
Hadleigh High School	209	195
	<b>1,036</b>	<b>893</b>

### 12. Tangible fixed assets

	Leasehold land and Buildings	Assets under construction	Plant and machinery	Furniture and equipment	Computer equipment and software	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>							
At 1 September 2019	54,883	-	447	172	379	9	55,890
Additions	2,066	184	728	86	251	-	3,315
	<b>56,949</b>	<b>184</b>	<b>1,175</b>	<b>258</b>	<b>630</b>	<b>9</b>	<b>59,205</b>
<b>Depreciation</b>							
At 1 September 2019	2,669	-	347	89	271	9	3,385
Charge for year	1,062	-	75	24	93	-	1,254
	<b>3,731</b>	<b>-</b>	<b>422</b>	<b>113</b>	<b>364</b>	<b>9</b>	<b>4,639</b>
<b>Net book values</b>							
At 31 August 2020	<b>53,218</b>	<b>184</b>	<b>753</b>	<b>145</b>	<b>266</b>	<b>-</b>	<b>54,566</b>
	=====	=====	=====	=====	=====	=====	=====
At 31 August 2019	52,214	-	100	83	108	-	52,505
	=====	=====	=====	=====	=====	=====	=====

**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**12. Tangible fixed assets (Continued)**

The academy trust's transactions relating to land and buildings included:

- the donation of a new building at Claydon Primary School from the local council at a value of £1,898,703

**13. Debtors**

	2020 £000	2019 £000
Trade debtors	23	24
VAT recoverable	146	168
Prepayments and accrued income	421	503
Other debtors	13	5
	<b>603</b>	<b>700</b>

**14. Creditors: amounts falling due within one year**

	2020 £000	2019 £000
Trade creditors	353	153
Other taxation and social security	286	260
Other creditors	433	246
Other creditors – loans	35	27
Accruals and deferred income	410	644
	<b>1,517</b>	<b>1,330</b>
<b>Deferred income</b>		
Deferred income at 1 September 2019	375	243
Resources deferred in year	309	375
Amounts released from previous year	(375)	(243)
Deferred income at 31 August 2020	<b>309</b>	<b>375</b>

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

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

	2020 £000	2019 £000
Other creditors - loans	221	250

Included within other creditors are loans, as follows:

- An interest free loan from ESFA under CIF of £15k in respect of Hadleigh High School's roof
- A loan from ESFA under Condition Improvement Fund of £70k in respect of East Bergholt High School
- An interest free loan from Salix of £15k in respect of East Bergholt High School
- A loan from ESFA under Condition Improvement Fund of £90k in respect of East Bergholt High School's teaching block
- A loan from ESFA under Condition Improvement Fund of £23k in respect of East Bergholt High School's roof
- A loan from ESFA under Condition Improvement Fund of £23k in respect of Claydon High School
- An interest free loan from Salix of £20k 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. £140k (2019: £115k) is due over 5 years.

	2020 £000	2019 £000
The future loan repayments are:		
Amounts due within one year	35	27
Amounts due between one and five years	131	134
Amounts due after five years	90	116

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

## 16. Funds

	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant	176	17,271	(16,392)	(357)	698
Other DfE/ESFA Grant	-	2,370	(2,355)	-	15
Rates relief	-	115	(115)	-	-
Other restricted funds	-	327	(327)	-	-
Pension reserve	(7,211)	-	(588)	716	(7,083)
	<u>(7,035)</u>	<u>20,083</u>	<u>(19,777)</u>	<u>359</u>	<u>(6,370)</u>
<b>Restricted Fixed Assets</b>					
Transfer on conversion and joining academies	48,202	-	(926)	-	47,276
Donated assets	-	2,424	(98)	-	2,326
DfE/ESFA capital grants	3,436	978	(144)	-	4,270
Capital expenditure from GAG	234	-	(52)	357	539
Capital expenditure from other funds	443	-	(34)	92	501
	<u>52,315</u>	<u>3,402</u>	<u>(1,254)</u>	<u>449</u>	<u>54,912</u>
<b>Total Restricted Funds</b>	<b>45,280</b>	<b>23,485</b>	<b>(21,031)</b>	<b>808</b>	<b>48,542</b>
<b>Unrestricted funds</b>					
General funds	1,368	516	(714)	(92)	1,078
Designated fund	60	-	-	-	60
	<u>1,428</u>	<u>516</u>	<u>(714)</u>	<u>(92)</u>	<u>1,138</u>
<b>Total unrestricted funds</b>	<b>1,428</b>	<b>516</b>	<b>(714)</b>	<b>(92)</b>	<b>1,138</b>
<b>Total Funds</b>	<b>46,708</b>	<b>24,001</b>	<b>(21,745)</b>	<b>716</b>	<b>49,680</b>
	=====	=====	=====	=====	=====

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 2020.

**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 £886k which was fully spent as at 31 August 2020. 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 2020. The academy trust is carrying forward a balance on the General Annual Grant fund of £700k, a balance of £15k on other restricted general funds and a net surplus of £1,076k 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 2020 (continued)

16. Funds (Continued)

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

	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
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>
<b>Restricted Fixed Assets</b>					
Gifted 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>
<b>Total Restricted Funds</b>	<b>36,382</b>	<b>28,916</b>	<b>(18,650)</b>	<b>(1,368)</b>	<b>45,280</b>
<b>Unrestricted funds</b>					
General funds	1,630	682	(488)	(456)	1,368
Designated fund	60	-	-	-	60
<b>Total unrestricted funds</b>	<b>1,690</b>	<b>682</b>	<b>(488)</b>	<b>(456)</b>	<b>1,428</b>
<b>Total Funds</b>	<b>38,072</b>	<b>29,598</b>	<b>(19,138)</b>	<b>(1,824)</b>	<b>46,708</b>
	=====	=====	=====	=====	=====

Analysis of academies by fund balance

Fund balances as at 31 August 2020 were allocated as follows:

	Total £000	Total £000
East Bergholt High School	301	296
Hadleigh High School	712	676
Claydon High School	321	285
Claydon Primary School	75	140
Colchester Academy	537	242
Central Services	(95)	(35)
	<u>1,851</u>	<u>1,604</u>
Restricted Fixed Asset Fund	54,912	52,315
Pension reserve	(7,083)	(7,211)
<b>Total</b>	<b>49,680</b>	<b>46,708</b>
	=====	=====

**Notes to the Financial Statements for the Year Ended 31 August 2020 (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	3,598	317	276	576	4,767
Hadleigh High School	2,855	243	280	474	3,852
Claydon High School	2,867	263	187	360	3,677
Claydon Primary School	1,497	214	76	184	1,971
Colchester Academy	3,130	471	352	587	4,540
Central costs	400	294	26	376	1,096
	<u>14,347</u>	<u>1,802</u>	<u>1,197</u>	<u>2,557</u>	<u>19,903</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 2020 are represented by				
Tangible fixed assets	-	-	54,566	54,566
Current assets	1,131	2,202	602	3,935
Current liabilities	-	(1,482)	(35)	(1,517)
Non-current liabilities	-	-	(221)	(221)
Pension scheme liabilities	-	(7,083)	-	(7,083)
<b>Total net assets</b>	<u>1,131</u>	<u>(6,363)</u>	<u>54,912</u>	<u>49,680</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 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)
<b>Total net assets</b>	<u>1,428</u>	<u>(7,035)</u>	<u>52,315</u>	<u>46,708</u>
	=====	=====	=====	=====

**18. Capital commitments**

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	<u>48</u>	<u>-</u>



Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19. Commitments under operating leases

	2020 £000	2019 £000
<b>Operating leases</b>		
At 31 August 2020 the Academy Trust's future minimum lease payments under non-cancellable operating leases was:		
Amounts due within one year	41	19
Amounts due between one and five years	76	47
	=====	=====

20. Reconciliation of net income to net cash inflows

	2020 £000	2019 £000
Net income for the reporting period (as per the statement of financial activities)	2,256	10,460
Depreciation (note 12)	1,254	942
Transfer on academy joining the academy trust	-	(14,591)
Capital grants from DfE and other capital income	(3,402)	(353)
Interest receivable (note 5)	(2)	(12)
Defined benefit liability inherited	-	2,358
Defined benefit pension scheme cost less contributions payable (note 25)	454	1,168
Defined benefit pension scheme finance cost (note 25)	134	172
Decrease/(Increase) in stocks	3	(4)
Decrease/(Increase) in debtors	97	(84)
Increase in creditors	172	358
	=====	=====
<b>Net cash provided by operating activities</b>	<b>966</b>	<b>414</b>

21. Cash flows from financing activities

	2020 £000	2019 £000
Cash outflows from loan repayments	(14)	(17)
	=====	=====
<b>Net cash (used in)/provided by financing activities</b>	<b>(14)</b>	<b>(17)</b>

22. Cash flows from investing activities

	2020 £000	2019 £000
Interest received	2	12
Purchase of tangible fixed assets	(3,315)	(970)
Capital grants from DfE/ESFA	978	353
Capital grant from Local Authority	2,424	
	=====	=====
<b>Net cash flow (used in) investing activities</b>	<b>89</b>	<b>(605)</b>

**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**23. Analysis of cash and cash equivalents**

	2020 £000	2019 £000
Cash in hand and at bank	3,326	2,285
<b>Total cash and cash equivalents</b>	<b>3,326</b> =====	<b>2,285</b> =====

**24. Analysis of changes in net debt**

	At 1 September 2019 £000	Cash Flows £000	Acquisition/ disposal of subsidiaries £000	New finance leases £000	Other non- cash changes £000	At 31 August 2020 £000
Cash	2,285	1,041	-	-	-	3,326
Loans falling due within one year	(27)	27	-	-	(35)	(35)
Loans falling due after more than one year	(250)	(6)	-	-	35	(221)
<b>Total</b>	<b>2,008</b>	<b>1,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,070</b>

**25. Members' Liability**

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

**26. 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £311k (2019: £246k) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 26. Pensions and similar obligations (continued)

#### 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,880k (2019: £1,088k).

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.

#### 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 2020 was £996k (2019: £831k), of which employer's contributions totalled £828k (2019: £673k) and employees' contributions totalled £168k (2019: £158k). The agreed contribution rates for future years are 24.1% (2020/21), 23.1% (2021/22) and 22.1% (2022/23) for Suffolk Pension Fund, and 25.0% (2020/21 – 2022/23) for Essex Pension Fund (Colchester Academy).

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 2020	At 31 August 2019
	% p.a.	% p.a.
Pension increase rate	2.2 – 2.25	2.20 – 2.30
Salary increase rate	2.9 – 3.25	2.60 – 3.70
Discount rate	1.6 – 1.7	1.80 – 1.85

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

#### Change in assumptions at 31 August 2020

	At 31 August 2020	At 31 August 2019
	£000	£000
0.5% decrease in Real Discount Rate	2,168	1,485
0.5% increase in Salary increase rate	141	344
0.5% increase in Pension increase rate	1,987	1,271

**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**26. Pensions and similar obligations (continued)**

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

	<b>At 31 August 2020 Years</b>	<b>At 31 August 2019 Years</b>
<i>Current pensioners</i>		
Male	<b>21.8 - 21.9</b>	21.3
Female	<b>23.8 - 24.1</b>	23.5-23.6
<i>Future pensioners</i>		
Male	<b>22.7 - 23.2</b>	22.3-23.0
Female	<b>25.2 - 25.6</b>	24.9-25.4

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

	<b>Fair value at 31 August 2020 £000</b>	<b>Fair value at 31 August 2019 £000</b>
Equities	<b>6,482</b>	5,339
Gilts	<b>114</b>	135
Bonds	<b>2,249</b>	2,125
Property	<b>947</b>	1,816
Cash	<b>565</b>	154
Alternative assets	<b>342</b>	271
Other managed funds	<b>171</b>	134
<b>Total market value of assets</b>	<b>10,869</b>	9,974
Present value of scheme liabilities	<b>(17,952)</b>	(17,185)
<b>Deficit in the scheme</b>	<b>(7,083)</b>	(7,211)

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 2020 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 (2019: £617k)

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

	<b>2020 £000</b>	<b>2019 £000</b>
Current service cost	<b>1,282</b>	974
Net interest cost	<b>134</b>	172
<b>Total operating charge</b>	<b>1,416</b>	1,146

**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

**26. Pensions and similar obligations (continued)**

**Changes in the present value of defined benefit obligations:**

	2020 £000	2019 £000
<b>At 1 September</b>	<b>17,185</b>	<b>8,073</b>
Current service cost	1,282	974
Past service cost	-	99
Effect of non-routine settlements	-	1,124
Transferred in on academies joining academy trust	-	4,249
Interest cost	321	438
Employee contributions	168	158
Actuarial (gain)/loss	(855)	2,175
Benefits paid	(177)	(105)
<b>At 31 August</b>	<b>17,924</b>	<b>17,185</b>

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>9,974</b>	<b>6,384</b>
Transferred in on academies joining academy trust	-	1,891
Interest income	187	266
Actuarial gain/(loss)	(139)	351
Employer contributions	828	673
Employee contributions	168	158
Effect of non-routine settlements	-	356
Benefits paid	(177)	(105)
<b>At 31 August</b>	<b>10,841</b>	<b>9,974</b>

**27. 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 £7,200 (2019: £10,000) during the period. There were no amounts outstanding at 31 August 2020 (2019: £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 2019
- The element above £2,500 has been provided at no more than cost and the academy trust has provided a statement of assurance confirming this

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