

ANGLIAN LEARNING
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

ANGLIAN LEARNING
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

| | |
|--|---|
| Members | Philip Hodgson Claire Lawton Christopher Walkinshaw (appointed 1 September 2016) Alison Butterworth (appointed 1 September 2016) Albena Madej (appointed 1 September 2016) Martyn Postle (appointed 1 September 2016) Amanda Askham (appointed 1 September 2016) |
| Trustees | Philip Hodgson, Chair of Trustees (until 31/08/2017) Claire Lawton, Chair of Trustees (from 01/09/2017) Gareth Davies Kate Evans, Accounting Officer Donna Cornwell Geoff Hayward Richard Cowling (appointed 1 September 2016) Simon Humphrey (appointed 1 September 2016) David Lamkin (appointed 1 September 2016) Ken Murphy (appointed 1 September 2016) Sue Speller (appointed 1 September 2016) Duncan Hambidge (appointed 1 September 2017) |
| Company registered number | 07564749 |
| Company name | Anglian Learning |
| Registered and principal office | Lode Road Bottisham Cambridge CB25 9DL |
| Chief Executive Officer | Kate Evans |
| Senior Management Team | Kate Evans, Chief Executive Officer Duncan Cooper, Deputy Chief Executive Officer Jonathan Culpin, Deputy Chief Executive Officer |
| Independent Auditors | Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT |

ANGLIAN LEARNING

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Anglian Learning ('The Trust' or the Charitable Company: No 07564749) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 4 secondary academy schools (the Academies or the Schools) serving a catchment area in Cambridgeshire. The Academies have a combined capacity of 3828 and had a roll of 3768 in the October 2017 census:

| | | |
|----------------------------------|------------------------------------|--------------------------------------|
| Bottisham Village College | 1101 Pupils at October 2017 census | converted on 1 February 2012 |
| Netherhall School and sixth form | 1040 Pupils at October 2017 census | converted on 1 February 2016 |
| Sawston Village College | 1023 Pupils at October 2017 census | joined the Trust on 1 September 2016 |
| Bassingbourn Village College | 604 Pupils at October 2017 census | joined the Trust on 1 September 2016 |

Structure, Governance and Management

The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable.

The operation of The Academies and employment of staff are the responsibility of the Trustees. The Trust retains overall control of Academy budgets and finances, and monitors these through its Finance Committee. Under delegated authority, the Local Governing Bodies (LGBs) play an important part in overseeing financial and educational standards in order to reinforce controls, balances and checks.

Each Academy has appointed an LGB which has delegated authority to develop, recommend and administer their Academy within agreed budgets, signed off by the Trust Board.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee or Director refers to an individual who sits on the Trust Board and the term Governor refers to an individual who sits on an LGB. Details of the Trustees who served during 2016/17 are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees/Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is not separately identifiable.

Method of Recruitment and Appointment or Election of Trustees

The Members should comprise of a minimum of three people, including the Chair of the Board of the Trustees. No employee can be a Member.

Subject to Articles 48, 49 and 53, in the Articles of Association, the Academy Trust shall have the following Trustees:

- Up to 10 Trustees appointed under Article 50 but shall not be less than three
- The Chief Executive Officer (CEO) of the Trust

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Trustees are appointed for a fixed term of four years but can be re-elected. The Trustees may appoint up to two co-opted Trustees.

In certain circumstances the Secretary of State for Education has the power to appoint Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing high quality training and developmental opportunities for Trustees and Governors, enabling them to perform their role effectively. The specifics of this training will be dependent on their existing experience. Anglian Learning draws on support and expertise from a range of sources, including Local Authority Governor Services and the National Governance Association.

All new Trustees are provided with log-in details to the Anglian Learning Governance secure area, which gives them direct access to all Trust and governance information, including strategic planning documents, policies, procedures, minutes and accounts.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust Board meets on at least four occasions per year and its three sub committees, Finance and Audit, HR and Achievement & Standards, each meet at least three times per year and in addition will call an Annual General Meeting. An annual calendar of meetings is approved before the start of the academic year.

The Trust Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, ensuring excellent Trust governance and compliance to legislation, adopting an annual Trust Strategy Plan and Trust budget, monitoring the performance of all Academies.

The Trust Board delegate responsibility to both the Trust Leadership Team (TLT) and the LGBs of each Academy. LGBs are responsible for implementing individual School policies, approving and monitoring the School improvement plan, proposing and monitoring annual budgets and capital expenditure projects within authorised limits. These delegated responsibilities are set out clearly in the Anglian Learning Scheme of Delegation

The TLT has delegated responsibility for the operational running of the Trust and consists of:

- Chief Executive Officer
- Two Deputy Chief Executives
- Executive Primary Headteacher
- Chief Operating Officer

The Trust's CEO is the Accounting Officer.

The TLT is responsible for implementing the Trust Strategy Plan across the Trust, alongside the management of risk and ensuring reporting and compliance. They work closely with the Academy Principals, providing support and challenge to ensure the delivery of key priorities in each School.

The TLT and Academy Principals are supported by their local Senior Leadership Team (SLT) and the central operational team directorate heading up Finance, ICT, Human Resources and Estates.

The Principals and SLTs are responsible for the day to day operation of their School, implementing both central Trust and local School policies, monitored by their LGB. This includes the appointment of staff, the appropriate use of resources and ensuring the safety of students, staff and visitors. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff, following vetting and safeguarding recruitment processes.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Trust or Academy group size, the Individual School Range, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. Amendments to key management pay and remuneration are approved by the appropriate Finance Committee and ratified by the Trust Board.

People with Disabilities

Information regarding disabilities does not need to be shared directly with the Trust, unless relevant to the interview process or their employment. Should the Trust be made aware of a disability then measures will be considered to ensure that a fair assessment of their aptitudes and abilities is conducted, within the framework of reasonable adjustments being made to the post. In the event of employees becoming disabled during their employment, then every effort will be made to seek professional medical opinions as to reasonable adjustments that can be made to continue their employment in their existing role or advice as to alternative roles within the Trust that they may be able to undertake.

Employee Involvement and Communication

Where appropriate, the Trust consults on matters such as policy pay, health and safety and welfare with the relevant teaching and support staff and their trade unions. The Trust provides information to employees generally by way of email, intranet and memo. Each Academy also provides communication channels via SLT meetings and cascaded line management meetings and staff meetings. Employees are expected to familiarise themselves with School policy, procedures and advisory information, Ofsted reports, student progress and attainment statistics relevant to their role, which is available through the intranet, School websites or School support teams.

Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development or promotion opportunities are open to all employees.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Trust Board being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is declared and only undertaken in accordance with the 'at cost' principle described in the Trust Internal Financial Control Procedures. The Trust accesses legal advice to ensure compliance with regulatory and best practice.

The Trust has no other financially connected organisations, but does have wider influence over wider networks and constitutions including other Cambridgeshire Secondary and Primary schools and:

- Cambridgeshire County Council.
- Cambridge Area Partnership
- ESCIP: East and South Cambridgeshire Inclusion Partnership.
- Henry Morris Community Trust.
- Sawston & Linton Locality Group.
- Anglian Gateway Teaching School Alliance.
- Cambridgeshire & Suffolk Teaching School Alliance (CASSA).
- Cambridge Teaching School Network (CTSN).
- Cambridgeshire Secondary Heads Group.
- Cambridge and Peterborough Secondary Academy Group.
- Faculty of Education, Cambridge University.

The Trust does not have a formal sponsor.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Funds held as Custodian Trustee on behalf of others

Cambridge School Sports Partnership.

The Trust, through The Netherhall School, operates as a banker school for Cambridge School Sports Partnership. The aim of the organisation is to support schools to deliver high quality PE and school sport through a coordinated local delivery system. The balance on this account as at 31 August 2017 is £20,298

Sawston and Linton Locality Group.

The Trust, through Sawston Village College, operates as a banker school for Sawston and Linton Locality Group. At year end there was a Nil balance.

Cambridge Area Partnership (CAP).

The Trust, through Bottisham Village College, acts as banker school for Cambridge Area Partnership (CAP), a partnership of all the state-funded providers of education and training for 14-19 year olds in Cambridge, East Cambridgeshire and South Cambridgeshire. Funds are held in a control account and are reported on a regular basis to the CAP consultant and Chair. All payments from the account are authorised by the Chair. The balance on this account as at 31 August 2017 is £412,285

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 11 and 18.

Under the Articles of Association, the Trust's objects are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

Anglian Learning Charter

All our Schools share the firm belief that successful learning communities are underpinned by ambitious vision, trust and strong inspirational leadership at all levels of the organisation. Through membership of the Trust, these values are reinforced by working with like-minded schools, leaders and teachers, to make a difference to the lives of our young people. We believe that we have a shared responsibility, through support and challenge, to ensure that all our Academies can offer an outstanding education to all students.

The Anglian Learning Charter sets out our aims, with the overarching goal to create self-sustaining, community-based schools that celebrate Innovation, Creativity and Individuality, actively pursuing a collective responsibility for achieving excellent outcomes for all learners across our Schools.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

We aim to:

- develop a dynamic and inspirational culture for teaching and learning excellence;
- provide pupils with stimulating and valuable enrichment opportunities across the curriculum;
- raise achievement of all young people, especially those who are most vulnerable, and use the collective energy of the Trust to improve life chances;
- build a curriculum and assessment structure that will enable teachers, pupils and parents to celebrate success;
- encourage innovation and risk-taking through a focus on research and best practice locally, nationally and internationally; and
- promote, enable and support leadership at all levels to flourish in our individual Schools and across the Trust.

Activities for Achieving Objectives

The Trust developed and implemented an ambitious and wide-ranging strategic plan for its first year of operation. This plan was sub-divided into 6 key sections:

- School Improvement.
- Trust Leadership and Governance.
- Finance
- Growth.
- Personnel.
- ICT & Operations.

Each of these sections contains detailed objectives, accompanied by clear activities and success criteria. Progress against these objectives was reviewed regularly by the TLT throughout the year and reported to and scrutinised by Trustees through the calendared programme of committee and Board meetings.

Key priorities and activities for 2016/17 included:

- to establish an effective Secondary Leadership Team, with representation at Principal and Deputy Principal level, to share effective practice and drive improvements in all Academies, including, in particular, the performance of disadvantaged students;
- to establish a range of middle leader groups, including Maths, English and Science;
- to establish Quality Assurance systems across the Trust, including the identification of Key Performance Indicators across all core functions;
- to implement wide-ranging efficient and effective governance structures and systems, including those to identify and manage risk; and
- to develop and enhance the capacity of the TLT, in readiness for growth.

Public Benefit

The Charitable Company's aims are set out in this Report. The Trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Report

Achievements and Performance

The Trust is very proud of the progress made against our strategic priorities during our first year of operation.

Key highlights of these achievements include:

- the Trust's four Academies all achieved grades well above the national average (39.1%) for students achieving 5+ in English and Mathematics. This ranged from 50% to 63%;
- Progress 8 was also positive in each of the Schools, ranging from 0.09 to 0.34 and well above the national average of -0.03;
- Bassingbourn Village College was judged to continue to be 'Good' following a Section 8 inspection in June 2017;
- students achieved very well in the English, Maths and Ebacc subjects, consequently a high number of students achieved the English Baccalaureate. This ranged from 30% to 42%, well above the national average of 19.2%;
- the establishment of strong core, governance structures and procedures, underpinned by the work of a Governance Group, enabling Trustees to execute their key roles and responsibilities;
- enhanced specialist operational support for Academy Principals, enabling them to dedicate a greater proportion of their time to school improvement activities;

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- realisation of initial financial efficiencies and economies of scale, including as the result of re-tendering of major contracts, enabling a higher proportion of core funding to be re-invested in supporting educational priorities in individual Academies ;
- development of cross Trust senior and middle leader groups, resulting in the sharing and implementation of effective practice across all Schools;
- sharing of best practice and mutual support to support pupils at risk of exclusion from School;
- successful application to the DfE to establish The Wing Primary School in Cambridge, opening in 2020;
- successful applications to Regional Schools Commissioner to establish our first Primary Hub, with 3 primary Schools joining in February 2018;
- the appointment of a Chief Operating Officer and Executive Primary Headteacher, adding significant, specialist capacity to the Trust Leadership Team;
- rolled out a program of interventions across all Schools to put greater emphasis on student progress through target setting and monitoring; and
- launch of a major capital expansion project at Bottisham Village College.

We are confident that these and other key developments place us in a strong position as a Multi Academy Trust, serving as firm foundations, which will enable us further develop and enhance our performance in future years.

Key Performance Indicators

The Trustees receive regular information at each Committee and Board meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

We have developed an Anglian Learning Data Dashboard that identifies key performance indicators for all key educational and operational functions; this data is refreshed regularly, and at least termly, prior to interrogation by the TLT, and circulation to Trustees for scrutiny and discussion during their calendared meetings.

The Data Dashboard is underpinned by a thorough Quality Assurance Framework, which evaluates the effectiveness of key areas of School life, this includes; safeguarding, leadership and management, the quality of teaching, curriculum and achievement.

Key educational KPIs for 2016/17 included:

- % students achieving 5+ in English & Maths
- % student achieving 5 A*-C including English & Maths
- % grades at A* & A
- Progress 8 scores
- Attendance %
- Exclusion %

Key Educational Outcomes 2016/17

- % students achieving 5+ in English & Maths:
 - Bassingbourn Village College = 50%
 - Bottisham Village College = 52%
 - The Netherhall school = 55%
 - Sawston Village College = 63%
- % student achieving 5 A*-C including English & Maths:
 - Bassingbourn Village College = 70%
 - Bottisham Village College = 69%
 - The Netherhall school = 69%
 - Sawston Village College = 75%
- % grades at A* & A:
 - Bassingbourn Village College = 29%
 - Bottisham Village College = 26%
 - The Netherhall school = 22%
 - Sawston Village College = 30%
- Progress 8 score:
 - Bassingbourn Village College = +0.23
 - Bottisham Village College = +0.18
 - The Netherhall school = +0.09
 - Sawston Village College = +0.34

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- The progress made by post 16 students is in line with the national average.
- Attendance across all the Schools is in-line with or above the national average.
- Exclusion rates are low.
- The achievement and attendance of disadvantaged students continues to be a priority for the Trust. Sharing of best practice across the Trust has helped to identify further areas for improvement.

Trustees receive regular operational management information reports covering activity such as centralised services, capital projects, sports centre, and adult learning programs.

A range of key financial indicators are monitored across the Trust, together with detailed financial reporting to Trustees, which are scrutinised at regular, calendared meetings of the Finance & Audit Committee and Trust Board.

The Finance and Audit Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis, to ensure that the budget is set and managed appropriately.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £19,728,133 of GAG and other funding and £1,945,062 of trading activity income.

A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

During the year the Trust spent £24,146,867 on general running costs and transferred £1,541,109 to support capital new build and improvement projects on the various Academy sites. The Trust brought forward from 15/16, £368,338 in restricted capital funds (CIF awards), £285,344 restricted general funds and £1,945,791 unrestricted funding.

The carry forward for 16/17 is £3,120,935 in capital funds (CIF projects and School Expansion Project) £196,158 restricted general funding and £2,816,850 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £7,297,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Principal financial management policies adopted in the period

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure.

The Trustees monitor estimated year-end carry forward figures via the monthly reports from central finance. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The aim of reserves management is to provide sufficient working capital to cover delays between spending and receipt of grants to ensure positive operational cash flow, but also to provide a cushion to protect the Trust and individual Academies from inability to react to unexpected emergency funding requirements such as urgent estates or equipment maintenance.

The Trust's total funds a balance including fixed asset funds was £46,066,098 (this includes fixed assets and pension reserves)

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The balance on restricted general funds was £7,100,842 (excluding pension reserve) and this value includes funds set aside for major capital works to be completed during the following financial year.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,816,850. This has been built up from a mixture of locally raised income and balances transferred from the predecessor Schools, including sums relating to property disposal.

On an annual basis the Finance & Audit Committee will review the Trust Reserves Policy and risk profile for the coming year and rolling three year budget. Using this as a basis, the Trust will review capital project requirements, funds required for committed activities and working capital, and will allocate designated funds, as appropriate, from unrestricted reserves.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £5,967,804. However, a significant proportion of this cash is from Capital Funding held against specific projects and is not available to meet normal recurring expenditure.

Principal Risks and Uncertainties

The Trust works with the TLT in maintaining a central risk register, identifying the major risks to which each Academy and collectively the Trust, are exposed, identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board via the three sub-committees.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of Academy Schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The principal risks facing the Trust are outlined below:

- **Funding and Balanced Budgets:**
Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms. Trustees and the TLT are also mindful of the significant implications of adjustments in income, related to changes in student numbers. Cambridgeshire funding levels continue to be a significant challenge.
- **High quality governance and Trust Leadership Team capacity during the growth of the Trust:**
Trustees continue to review and evaluate progress, ensuring that the Executive and SLTs have the required levels of skills and capacity to support successful growth. Trustees evaluate their own performance, identifying development needs and implementing a programme of training.
- **Safeguarding and child protection:**
Trustees continue to ensure that the highest standards are maintained in all its Schools in the following key areas - the recruitment and monitoring of staff; the operation of child protection policies and procedures; the implementation of health & safety policies;
- **Staffing and skills:**
the success of our Academies is reliant on the ongoing recruitment and retention of high quality staff. Trustees monitor and review HR policies and procedures alongside staff recruitment, retention and turnover figures, to help to inform future HR strategy priorities.

The Trust has continued to strengthen its risk management processes through the further development of a comprehensive Risk Register.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Plans for Future Periods

The Trust will continue to focus on ensuring that every student has access to high quality, educational provision, which enables them to thrive and achieve excellent educational outcomes. A particular focus will be to secure a 'Good' OFSTED judgement for The Netherhall School, following their first OFSTED Inspection since joining the Trust. We will also continue to prioritise the development of strategies that will enable disadvantaged young people in our care to achieve accelerated progress, enhancing their life chances.

The Trust will implement the next stage of its plans for growth through the establishment of our first Primary Hub, under the leadership of the recently appointed Executive Primary Headteacher.

We will continue with the development of key central support services that will be designed to provide high quality and best value provision for our Schools.

We will continue to work with the Department for Education and Cambridgeshire County Council in the planning of The Wing Primary School, scheduled to open in September 2020.

The Auditors, Price Bailey LLP, are 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 the Board of Trustees on 12 December 2017 and signed on its behalf by:

Claire Lawton
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Anglian Learning and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Philip Hodgson, Chair of Trustees (until 31/08/2017) | 9 | 10 |
| Claire Lawton, Chair of Trustees (from 01/09/2017) | 9 | 10 |
| Gareth Davies | 8 | 10 |
| Kate Evans, Accounting Officer | 10 | 10 |
| Donna Cornwell | 9 | 10 |
| Geoff Hayward | 4 | 10 |
| Richard Cowling | 8 | 10 |
| Simon Humphrey | 6 | 10 |
| David Lamkin | 9 | 10 |
| Ken Murphy | 9 | 10 |
| Sue Speller | 10 | 10 |

A comprehensive skills audit carried out prior to the establishment of the Trust in September 2016, confirms that the Trust Board comprises of experienced Trustees who have the appropriate range of skills and experience required to enable them to fulfil their wide-ranging roles and responsibilities. Given the commitment to developing a Primary Hub, a decision was made at the outset to recruit a highly experienced primary Headteacher and a professor of education, to complement the significant secondary experience of other Trustees.

As part of ongoing self-evaluation and review processes, Trustees established a priority to recruit additional financial expertise; as a consequence a highly experienced and fully qualified accountant will be appointed to the Board at the start on the new 2016/17 academic year.

Trustees are ambitious for the Trust and are also committed to continual improvement in their own governance function. A Governance Working Group has been established to oversee the identification of key areas for development, supported by the implementation of associated improvement strategies.

Trustees have worked closely with members of the TLT to develop a range of reporting systems that enable Trustees to be provided with wide-ranging, high quality data so that they can provide appropriate levels of support and challenge in holding the executive to account. These include:

- A comprehensive Data Dashboard providing key educational and operational performance data;
- The further development of an Anglian Learning Risk Register, which is regularly reviewed at Committee and full Board meetings;
- Detailed reports and updates produced by members of the TLT for the regular meetings of all 3 Committees (Achievement & Standards, Finance & Audit and HR) and full Board meetings; and
- Feedback from the outcomes of Trust-wide Quality Assurance systems.

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GOVERNANCE STATEMENT (continued)

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Trust Board. Its purpose is to:

- prepare and recommend to the Trust Board, the Trust and Academy Financial Regulations and Procedures to comply with Academies Financial Handbook, relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Directors;
- review, recommend to the Trust Board and monitor the individual Academy annual budgets that are proposed by each LGB, with a specific responsibility to ensure that budgets do not go into deficit;
- review, recommend and monitor the Trust annual budget that consolidates individual Academy budgets with Trust central costs and charges;
- identify and propose to the Trust Board opportunities for the Trust to achieve financial and resource efficiencies for member Academies through joint commissioning and procurement;
- review and recommend to the Trust Board the appointment and re-appointment of the Trust's Auditors;
- plan and oversee the statutory audit of Annual Accounts for the Trust;
- review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation;
- prepare and recommend to the Trust Board and implement the Trust action plan in response to the Auditor's management letter;
- plan, oversee and monitor the Internal Audit of Trust and Academy compliance with the Trust's financial regulations and procedures and to recommend and implement appropriate action to enhance compliance;
- review and approve the Accounts Return to the Education Funding Agency ;
- prepare and approve policies relating to the Trust's financial governance and operation; and
- review and approve the Asset Management Policy and Trust Health & Safety Policy.

Priorities for the Finance and Audit Committee during 2016-17

During 2016-17, the first year following the establishment of the Trust from the merger of three existing Academy Trusts, the Finance and Audit Committee has focused on ensuring high quality governance and compliance to the requirements as set out in the Academies Financial Handbook. The Committee has also reviewed the appropriateness of terms of reference, schemes of delegation and internal financial policy and controls. To support that work, consultants from Price Bailey have undertaken Internal Audit review. The Committee has also reviewed accounting systems resulting in the decision to install a new accounting system for the 2016-17 financial year. This action was taken in order to provide improved consistency, control and quality of management and executive financial information across the Trust.

During the year the Finance & Audit Committee has reviewed its composition and applied a skills audit to clarify strengths and experience, but also to identify areas of development.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Kate Evans | 6 | 6 |
| David Lamkin | 6 | 6 |
| Ken Murphy | 6 | 6 |
| Sue Speller | 3 | 5 |
| Gareth Davies | 6 | 6 |
| Donna Cornwell | 5 | 5 |

REVIEW OF VALUE FOR MONEY

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

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

Anglian Learning reviews and prioritises the way in which resources are allocated in order to meet the objectives set out in the development plans. The Trust aims to secure the best possible outcomes for pupils, in the most efficient and effective way, considering the individual needs of each School.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Trustees apply the four principles of best value:

- Challenge: why, how and by whom a service is provided?
- Compare: by using data from within the Trust, together with national and local benchmarking data.
- Consult: with key stakeholders and the local community, seek advice from specialists on projects and services.
- Competition: secure efficient and effective services through a professional approach to procurement, using quotes and service comparisons in line with requirements set out in the Internal Finance Control Procedures, enabling the Trust to ensure that suppliers and service providers are selected based on best service, value for money and quality of delivery.

The Trustees Approach

The Trustees, Academy Principals and Executive Leaders apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and value of individual Academies;
- the targeting of resources of best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all pupils.

The Trustees, Accounting Officer and Executive Leaders have aimed to deliver improved value for money during the year by prioritising the following areas:

- Staffing: reviewing the needs of each Academy, recruiting and developing staff to maximise the quality of teaching and learning.
- Use of Estates: considering the efficient use of assets to provide the best environment for learning and to maximise opportunities to generate additional sources of income, including the use of facilities for extended learning and community activities.
- Purchasing: to work within clear procedures for assessing need and obtaining goods and services which provide best value. This year there has been an increased emphasis on Trust wide procurement, including the strategic procurement of cleaning and catering services for Schools.
- Pupil Welfare and Health and Safety: to continually review the School estates to sure that they are fit for purpose, compliant to requirements of H&S and provide stimulating learning environments.

The Trust monitors the impact of value for money strategies in a range of ways including:

- Departmental and budget reviews with Principals and Senior Leaders.
- Feedback from Auditors.
- Staff performance and salary reviews.
- Curriculum planning and pupil performance data.
- Benchmarking across the Trust and other local academies.
- Scrutiny and challenge by the Finance & Audit Committee.

In order to drive best value and the efficient use of Trust resources the following services are being developed to offer high quality school support and shared services across the Trust in the following areas:

- Strategic Finance and Reporting.
- HR.
- ICT.
- Estates Management.
- Audit.
- Governance and Compliance.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Anglian Learning for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

INTERNAL REVIEW AND CONTROL

Through the year the Trustees along with the Trust Leadership Team have reviewed what information should be produced to aid strategic decision making and to assist with operational management. This has led to a review of systems, the procurement of a new finance system and the recruitment of additional leadership resource to further improve the level of strategic decision making, operational management, monthly and strategic information and reports; all essential as the Trust continues to grow.

The main challenges for internal control in the year ahead will be navigating the pressures of funding for our Academies, maintaining the quality of teaching and learning and resources within those financial challenges, to ensure all pupils achieve their potential and maximise the opportunities available to them at our Schools.

CAPACITY TO HANDLE RISK

The Trust Board has reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Trust Board.

Each Trust sub-committee, Finance & Audit, HR and Achievement & Standards, reviews and maintains a risk register which then reports to the Trust Board, at least termly, to ensure that there is a clear focus on the most relevant strategic and operational risks.

THE RISK AND CONTROL FRAMEWORK

The 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 as outlined in the Internal Financial Control Procedures; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific Internal Audit function and has decided to appoint Price Bailey as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included a review of Trust governance and compliance to the requirements as set in the Academies Financial Handbook and a review of the recognition of funding and commercial income streams.

On a half yearly basis, the Internal Auditor reports to the Board of Trustees through the Finance & Audit Committee on of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 12 December 2017 and signed on their behalf, by:

Claire Lawton
Chair of Trustees

Kate Evans
Accounting Officer

ANGLIAN LEARNING

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Anglian Learning I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

Kate Evans
Accounting Officer

Date: 12 December 2017

ANGLIAN LEARNING

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 12 December 2017 and signed on its behalf by:

Claire Lawton
Chair of Trustees

ANGLIAN LEARNING

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ANGLIAN LEARNING

OPINION

We have audited the financial statements of Anglian Learning (the Trust) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the 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 Trust's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF 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 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 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.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the 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.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ANGLIAN LEARNING

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- 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 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 Trustees' remuneration specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP

Chartered Accountants and Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire, CM23 3BT
15 December 2017

ANGLIAN LEARNING

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ANGLIAN LEARNING AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Anglian Learning during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ANGLIAN LEARNING'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Anglian Learning's funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ANGLIAN
LEARNING AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants

15 December 2017

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations & capital grants: | | | | | | |
| Donation on transfer | 2 | (2,871,837) | 20,377,617 | 238,378 | 17,744,158 | - |
| Other donations and capital grants | 2 | 679,108 | 4,139,460 | - | 4,818,568 | 17,593,674 |
| Charitable activities | 3 | 19,473,155 | - | 351,887 | 19,825,042 | 9,143,297 |
| Other trading activities | 4 | 107,762 | - | 1,740,391 | 1,848,153 | 313,659 |
| Investments | 5 | - | - | 11,802 | 11,802 | - |
| Other income | | - | - | - | - | 1,062,341 |
| TOTAL INCOME | | 17,388,188 | 24,517,077 | 2,342,458 | 44,247,723 | 28,112,971 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | - | - | - | - | 239,373 |
| Charitable activities | | 21,489,480 | 1,977,988 | 1,471,399 | 24,938,867 | 10,634,056 |
| TOTAL EXPENDITURE | 6 | 21,489,480 | 1,977,988 | 1,471,399 | 24,938,867 | 10,873,429 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | (4,101,292) | 22,539,089 | 871,059 | 19,308,856 | 17,239,542 |
| Transfers between funds | 17 | (89,894) | 89,894 | - | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | (4,191,186) | 22,628,983 | 871,059 | 19,308,856 | 17,239,542 |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | - | 3,603,000 | - | 3,603,000 | (1,004,000) |
| NET MOVEMENT IN FUNDS | | (4,191,186) | 26,231,983 | 871,059 | 22,911,856 | 16,235,542 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | (3,701,656) | 27,721,207 | 1,945,791 | 25,965,342 | 9,729,800 |
| TOTAL FUNDS CARRIED FORWARD | | (7,892,842) | 53,953,190 | 2,816,850 | 48,877,198 | 25,965,342 |

ANGLIAN LEARNING

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 07564749**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|-------------|-------------------|-------------------|-------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 47,229,257 | | 27,352,869 |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 2,229,309 | | 427,476 | |
| Cash at bank and in hand | | 5,967,804 | | 3,817,575 | |
| | | | <u>8,197,113</u> | <u>4,245,051</u> | |
| CREDITORS: amounts falling due within one year | 15 | (1,983,172) | | (1,459,298) | |
| NET CURRENT ASSETS | | | <u>6,213,941</u> | | <u>2,785,753</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>53,443,198</u> | | <u>30,138,622</u> |
| CREDITORS: amounts falling due after more than one year | 16 | | (80,000) | | (186,280) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | <u>53,363,198</u> | | <u>29,952,342</u> |
| Defined benefit pension scheme liability | 22 | | (4,486,000) | | (3,987,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>48,877,198</u> | | <u>25,965,342</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 17 | 196,158 | | 285,344 | |
| Restricted fixed asset funds | 17 | 50,350,190 | | 27,721,207 | |
| | | | <u>50,546,348</u> | <u>28,006,551</u> | |
| Restricted income funds excluding pension liability | | 50,546,348 | | 28,006,551 | |
| Pension reserve | | (4,486,000) | | (3,987,000) | |
| | | | <u>46,060,348</u> | <u>24,019,551</u> | |
| Total restricted income funds | | | 46,060,348 | | 24,019,551 |
| Unrestricted funds | 17 | | 2,816,850 | | 1,945,791 |
| TOTAL FUNDS | | | <u>48,877,198</u> | | <u>25,965,342</u> |

The financial statements on pages 22 to 44 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

Claire Lawton
Chair of Trustees

The notes on pages 25 to 44 form part of these financial statements.

ANGLIAN LEARNING**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | 2017 £ | 2016 £ |
|--|------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 3,769,432 | 3,155,827 |
| | | <hr/> | <hr/> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 11,802 | - |
| Purchase of tangible fixed assets | | (1,631,005) | (483,747) |
| | | <hr/> | <hr/> |
| Net cash used in investing activities | | (1,619,203) | (483,747) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 2,150,229 | 2,672,080 |
| Cash and cash equivalents brought forward | | 3,817,575 | 1,145,495 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents carried forward | | 5,967,804 | 3,817,575 |
| | | <hr/> <hr/> | <hr/> <hr/> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Trust's functional and presentational currency is Pound Sterling.

1.2 Company status

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The Trust's registered office is Lode Road, Bottisham, Cambridge, CB25 9DL.

1.3 Fund accounting

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

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

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

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

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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

Where assets are received on the transfer of an existing Academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, 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 Trust within Income and donations and capital grants.

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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 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.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------|---|-----------------------------|
| Freehold property | - | 30 - 50 years straight line |
| L/Term Leasehold Property | - | 50 years straight line |
| Motor vehicles | - | 5 years straight line |
| Fixtures and fittings | - | 5 - 7 years straight line |
| Computer equipment | - | 5 years straight line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating Income and Expenditure Account.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Operating leases

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

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

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

1.13 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 22, 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 Trust in separate Trustee-Administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make 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 22, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|----------------------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Donation on transfer | (2,871,837) | 20,377,617 | 238,378 | 17,744,158 | - |
| Donations | 679,108 | - | - | 679,108 | 16,723,522 |
| Capital grants | - | 4,139,460 | - | 4,139,460 | 870,152 |
| Subtotal | 679,108 | 4,139,460 | - | 4,818,568 | 17,593,674 |
| | (2,192,729) | 24,517,077 | 238,378 | 22,562,726 | 17,593,674 |
| <i>Total 2016</i> | (1,619,306) | 18,373,857 | 839,123 | 17,593,674 | |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Restricted funds 2017 £ | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | 17,533,845 | - | 17,533,845 | 8,275,167 |
| Other DfE / ESFA grants | 1,126,312 | - | 1,126,312 | 419,927 |
| | <u>18,660,157</u> | <u>-</u> | <u>18,660,157</u> | <u>8,695,094</u> |
| Other government grants | | | | |
| Local Authority grants | 812,998 | - | 812,998 | 208,652 |
| | <u>812,998</u> | <u>-</u> | <u>812,998</u> | <u>208,652</u> |
| Other funding | | | | |
| Catering income | - | 351,887 | 351,887 | 84,551 |
| Other income | - | - | - | 155,000 |
| | <u>-</u> | <u>351,887</u> | <u>351,887</u> | <u>239,551</u> |
| | <u>19,473,155</u> | <u>351,887</u> | <u>19,825,042</u> | <u>9,143,297</u> |
| <i>Total 2016</i> | <u><u>9,143,297</u></u> | <u><u>-</u></u> | <u><u>9,143,297</u></u> | |

4. OTHER TRADING ACTIVITIES

| | Restricted funds 2017 £ | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Rental income | - | 285,799 | 285,799 | - |
| Other income | 107,762 | 683,229 | 790,991 | - |
| Community business income | - | 771,363 | 771,363 | - |
| | <u>107,762</u> | <u>1,740,391</u> | <u>1,848,153</u> | <u>-</u> |

5. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 11,802 | 11,802 | - |
| | <u>11,802</u> | <u>11,802</u> | <u>-</u> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-------------------|--------------------------|-----------------------|--------------------------|--------------------------|--------------------|
| Direct costs | 13,431,403 | - | 1,946,411 | 15,377,814 | 7,443,658 |
| Support costs | 3,925,678 | 2,333,858 | 3,301,517 | 9,561,053 | 3,190,398 |
| | <u>17,357,081</u> | <u>2,333,858</u> | <u>5,247,928</u> | <u>24,938,867</u> | <u>10,634,056</u> |
| Total 2016 | <u><u>7,492,250</u></u> | <u><u>573,490</u></u> | <u><u>2,568,316</u></u> | <u><u>10,634,056</u></u> | |

7. CHARITABLE ACTIVITIES

| | 2017 £ | 2016 £ |
|---------------|--------------------------|--------------------------|
| Direct costs | 15,377,814 | 7,443,658 |
| Support costs | 9,561,053 | 3,190,398 |
| | <u>24,938,867</u> | <u>10,634,056</u> |
| Total | <u><u>24,938,867</u></u> | <u><u>10,634,056</u></u> |

| Analysis of support costs | 2017 £ | 2016 £ |
|---|-------------------------|-------------------------|
| Support staff costs | 3,925,678 | 1,724,280 |
| Depreciation | 1,897,745 | 732,202 |
| Technology costs | 177,205 | - |
| Premises costs (excluding depreciation) | 436,113 | 423,258 |
| Other costs | 2,998,597 | 310,658 |
| Governance costs | 125,715 | - |
| | <u>9,561,053</u> | <u>3,190,398</u> |
| Total | <u><u>9,561,053</u></u> | <u><u>3,190,398</u></u> |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|---|------------------|----------------|
| Depreciation of tangible fixed assets: | | |
| - owned or leased by the Trust | 1,897,745 | 732,202 |
| Auditors' remuneration - audit | 8,100 | 8,350 |
| Auditors' remuneration - other services | 8,000 | 2,175 |
| | <u>8,997,845</u> | <u>742,727</u> |

Included within expenditure is a unrecoverable debt of £18,863 written off in the year. The entire balance relates to the Sawston Uniform Company Limited which was liquidated during the year.

In the prior years, amounts in excess of this balance have been paid by the Sawston Uniform Company Limited to Sawston Village College but were not offset against this debt.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|-----------------------|--------------------------|-------------------------|
| Wages and salaries | 12,403,148 | 5,654,639 |
| Social security costs | 1,465,347 | 496,204 |
| Pension costs | 3,043,170 | 1,135,543 |
| | <u>16,911,665</u> | <u>7,286,386</u> |
| Apprenticeship levy | 7,245 | - |
| Supply teacher costs | 438,171 | 126,640 |
| | <u><u>17,357,081</u></u> | <u><u>7,413,026</u></u> |

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

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 255 | 165 |
| Administration and support | 187 | 104 |
| Management | 3 | 2 |
| | <u>445</u> | <u>271</u> |

Average headcount expressed as a full time equivalent:

| | 2017 No. | 2016 No. |
|-------------------|-------------|-------------|
| Teachers | 233 | 137 |
| Admin and support | 170 | 90 |
| Management | 3 | 2 |
| | <u>406</u> | <u>229</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £ 60,001 - £ 70,000 | 6 | 3 |
| In the band £ 70,001 - £ 80,000 | 3 | 1 |
| In the band £ 90,001 - £100,000 | 2 | 1 |
| In the band £100,001 - £120,000 | 1 | 0 |
| In the band £120,001 - £130,000 | 1 | 1 |

Twelve of the above employees participated in the Teachers' Pension Scheme during the year ended 31 August 2017.

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £422,801 (2016: £280,985).

Included in the above are employer pension contributions of £54,133 (2016: £35,974).

Also included in the above are the National Insurance contributions of £38,885 (2016: £26,721).

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

10. CENTRAL SERVICES

During the year, the Trust has provided central services to its Academies including:

- School improvement services
- Senior management support
- Financial services
- Human resources services
- Clerking services

The Trust charges for these services on an absorption cost recovery basis.

The actual amounts charged during the year were as follows:

| | 2017 | 2016 |
|---|----------------|----------|
| | £ | £ |
| Bassingbourn Village College | 83,333 | - |
| Bottisham Village College | 138,889 | - |
| The Netherhall School and Sixth Form Centre | 138,889 | - |
| Sawston Village College | 138,889 | - |
| | <u>500,000</u> | <u>-</u> |
| Total | <u>500,000</u> | <u>-</u> |

In addition, amounts have been incurred in the individual schools in relation to these services.

11. 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 CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 | 2016 |
|------------------|----------------------------|-----------------|-----------------|
| | | £ | £ |
| Kate Evans (CEO) | Remuneration | 125,000-130,000 | 125,000-130,000 |
| | Pension contributions paid | 20,000-25,000 | 20,000-25,000 |

During the year ended 31 August 2017, Trustees expenses totalling £1,746 (2016: £NIL) were reimbursed to 1 Trustee (2016: NIL). These related to reimbursements for activities undertaken in respect of their services to the Trust as staff members.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees/Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

| | Freehold property £ | Leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Assets under construction £ |
|------------------------|---------------------------|----------------------------|------------------------|-------------------------------|----------------------------|-----------------------------------|
| Cost | | | | | | |
| At 1 September 2016 | 27,331,252 | - | 10,500 | 1,576,656 | 656,893 | 373,468 |
| Additions | 3,747 | - | - | 29,482 | 56,667 | 1,541,109 |
| Additions on transfers | 19,616,687 | 172,030 | 1 | 202,238 | 152,172 | - |
| Disposals | - | - | (2,500) | - | - | - |
| At 31 August 2017 | <u>46,951,686</u> | <u>172,030</u> | <u>8,001</u> | <u>1,808,376</u> | <u>865,732</u> | <u>1,914,577</u> |
| Depreciation | | | | | | |
| At 1 September 2016 | 1,747,858 | - | 2,656 | 630,557 | 214,829 | - |
| Charge for the year | 1,424,982 | 3,820 | 1,600 | 306,807 | 160,536 | - |
| On disposals | - | - | (2,500) | - | - | - |
| At 31 August 2017 | <u>3,172,840</u> | <u>3,820</u> | <u>1,756</u> | <u>937,364</u> | <u>375,365</u> | <u>-</u> |
| Net book value | | | | | | |
| At 31 August 2017 | <u>43,778,846</u> | <u>168,210</u> | <u>6,245</u> | <u>871,012</u> | <u>490,367</u> | <u>1,914,577</u> |
| At 31 August 2016 | <u>25,583,394</u> | <u>-</u> | <u>7,844</u> | <u>946,099</u> | <u>442,064</u> | <u>373,468</u> |
| | | | | | | Total £ |
| Cost | | | | | | |
| At 1 September 2016 | | | | | | 29,948,769 |
| Additions | | | | | | 1,631,005 |
| Additions on transfers | | | | | | 20,143,128 |
| Disposals | | | | | | (2,500) |
| At 31 August 2017 | | | | | | <u>51,720,402</u> |
| Depreciation | | | | | | |
| At 1 September 2016 | | | | | | 2,595,900 |
| Charge for the year | | | | | | 1,897,745 |
| On disposals | | | | | | (2,500) |
| At 31 August 2017 | | | | | | <u>4,491,145</u> |
| Net book value | | | | | | |
| At 31 August 2017 | | | | | | <u>47,229,257</u> |
| At 31 August 2016 | | | | | | <u>27,352,869</u> |

Included in freehold property is freehold land at a valuation of £10,280,669 (2016 - £5,819,165), which is not depreciated.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 42,578 | 61,637 |
| VAT recoverable | 81,414 | 84,859 |
| Other debtors | 41,063 | 699 |
| Prepayments and accrued income | 2,064,254 | 280,281 |
| | 2,229,309 | 427,476 |

Included in prepayments and accrued income is £1,622,603 related to expansion and building projects.

15. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|-----------|-----------|
| Other loans | 106,280 | - |
| Trade creditors | 278,365 | 422,630 |
| Other taxation and social security | 319,133 | 88,836 |
| Cambridgeshire Area Partnership | 412,286 | 516,446 |
| Other creditors | 325,333 | 287,714 |
| Accruals and deferred income | 541,775 | 143,672 |
| | 1,983,172 | 1,459,298 |

Included within other loans is a Conditional Improvement Fund loan of £86,280 from the ESFA for which interest is charged at 1.48% per annum and is repayable within one year.

| | 2017 £ | 2016 £ |
|--------------------------------------|-----------|-----------|
| Deferred income | | |
| Deferred income at 1 September 2016 | 56,684 | 38,354 |
| Resources deferred during the year | 296,212 | 56,684 |
| Amounts released from previous years | (56,684) | (38,354) |
| | 296,212 | 56,684 |

Resources deferred at the period end relate to contributions towards future educational visits and funding from local or national Government to which the Trust does not have sufficient entitlement to recognise in the year.

16. CREDITORS: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|-------------|-----------|-----------|
| Other loans | 80,000 | 186,280 |
| | 80,000 | 186,280 |

Included within other loans is a salix loan of £80,000 from the ESFA relating to an expansion project for which interest is charged at 1.75% and is repayable within five years.

ANGLIAN LEARNING

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS

| | Brought forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|----------------------|-------------------|---------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 1,945,791 | 2,342,458 | (1,471,399) | - | - | 2,816,850 |
| Restricted funds | | | | | | |
| | Brought forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2017 £ |
| General Annual Grant (GAG) | - | 17,900,968 | (17,811,074) | (89,894) | - | - |
| Other DfE and ESFA grants | - | 1,126,312 | (1,126,312) | - | - | - |
| Other Government grants | - | 812,998 | (616,840) | - | - | 196,158 |
| Restricted donations | - | 750,148 | (750,148) | - | - | - |
| Other restricted funds | 285,344 | 107,762 | (393,106) | - | - | - |
| Pension reserve | (3,987,000) | (3,310,000) | (792,000) | - | 3,603,000 | (4,486,000) |
| | <u>(3,701,656)</u> | <u>17,388,188</u> | <u>(21,489,480)</u> | <u>(89,894)</u> | <u>3,603,000</u> | <u>(4,289,842)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 27,352,869 | 20,143,128 | (1,897,745) | 1,631,003 | - | 47,229,255 |
| Devolved Formula Capital grant | - | 80,243 | (80,243) | - | - | - |
| Condition Improvement Fund | 368,338 | 4,293,706 | - | (1,541,109) | - | 3,120,935 |
| | <u>27,721,207</u> | <u>24,517,077</u> | <u>(1,977,988)</u> | <u>89,894</u> | <u>-</u> | <u>50,350,190</u> |
| Total restricted funds | <u>24,019,551</u> | <u>41,905,265</u> | <u>(23,467,468)</u> | <u>-</u> | <u>3,603,000</u> | <u>46,060,348</u> |
| Total of funds | <u>25,965,342</u> | <u>44,247,723</u> | <u>(24,938,867)</u> | <u>-</u> | <u>3,603,000</u> | <u>48,877,198</u> |

STATEMENT OF FUNDS - PRIOR YEAR

| | Brought forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2016 £ |
|---------------------------|----------------------|------------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 767,219 | 2,056,704 | (925,522) | 47,390 | - | 1,945,791 |
| | <u>767,219</u> | <u>2,056,704</u> | <u>(925,522)</u> | <u>47,390</u> | <u>-</u> | <u>1,945,791</u> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

Restricted funds

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2016 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Restricted funds | 74,657 | 9,362,410 | (9,061,705) | (90,018) | - | 285,344 |
| Pension reserve | (1,149,000) | - | (1,834,000) | - | (1,004,000) | (3,987,000) |
| | <u>(1,074,343)</u> | <u>9,362,410</u> | <u>(10,895,705)</u> | <u>(90,018)</u> | <u>(1,004,000)</u> | <u>(3,701,656)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 10,036,924 | 18,373,857 | (732,202) | 42,628 | - | 27,721,207 |
| | <u>10,036,924</u> | <u>18,373,857</u> | <u>(732,202)</u> | <u>42,628</u> | <u>-</u> | <u>27,721,207</u> |
| Total restricted funds | <u>8,962,581</u> | <u>27,736,267</u> | <u>(11,627,907)</u> | <u>(47,390)</u> | <u>(1,004,000)</u> | <u>24,019,551</u> |
| Total of funds | <u>9,729,800</u> | <u>29,792,971</u> | <u>(12,553,429)</u> | <u>-</u> | <u>(1,004,000)</u> | <u>25,965,342</u> |

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Condition Improvement Funding (CIF)

This represents a Government grant received for an expansion project and roofing works.

Restricted donations

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the Schools and the associated costs of running the trips.

Other government grants

This represents various grants from local and national Government Bodies for the provision of specific services to pupils of the Schools. These grants are generally restrictive in nature.

Other DfE and ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset fund

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

Devolved Formula Capital grant

This represents funding received from ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | Total 2016 £ |
|---|--------------------|--------------------|
| Bottisham Village College | 848,908 | 615,956 |
| Netherhall School | 623,167 | 757,181 |
| Development reserve - Bottisham Village College | 407,998 | 407,998 |
| Capital reserve - Netherhall School | 450,000 | 450,000 |
| Sawston Village College | 441,578 | - |
| Bassingbourn Village College | 126,573 | - |
| Anglian Learning | 114,784 | - |
| | <hr/> | <hr/> |
| Total before fixed asset fund and pension reserve | 3,013,008 | 2,231,135 |
| Restricted fixed asset fund | 50,350,190 | 27,721,207 |
| Pension reserve | (4,486,000) | (3,987,000) |
| | <hr/> | <hr/> |
| Total | 48,877,198 | 25,965,342 |
| | <hr/> <hr/> | <hr/> <hr/> |

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2017 £ | Total 2016 £ |
|---|--|-----------------------------------|------------------------------|---|--------------------|--------------------|
| Bassingbourn Village College | 2,259,406 | 413,327 | 137,544 | 724,745 | 3,535,022 | - |
| Bottisham Village College | 3,891,209 | 525,629 | 127,321 | 2,278,204 | 6,822,363 | 6,616,320 |
| The Netherhall School and Sixth Form Centre | 3,997,762 | 649,522 | 204,694 | 1,515,502 | 6,367,480 | 3,524,907 |
| Sawston Village College | 4,040,157 | 285,174 | 162,707 | 2,022,797 | 6,510,835 | - |
| Anglian Learning | 433,526 | - | - | 61,690 | 495,216 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 14,622,060 | 1,873,652 | 632,266 | 6,602,938 | 23,730,916 | 10,141,227 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Unrestricted funds 2017 £ | Total funds 2017 £ |
|--|----------------------------------|---|------------------------------------|-----------------------------|
| Tangible fixed assets | - | 47,229,257 | - | 47,229,257 |
| Current assets | 608,444 | 3,307,213 | 4,281,456 | 8,197,113 |
| Creditors due within one year | (412,286) | (106,280) | (1,464,606) | (1,983,172) |
| Creditors due in more than one year | - | (80,000) | - | (80,000) |
| Provisions for liabilities and charges | (4,486,000) | - | - | (4,486,000) |
| | <u>(4,289,842)</u> | <u>50,350,190</u> | <u>2,816,850</u> | <u>48,877,198</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Unrestricted funds 2016 £ | Total funds 2016 £ |
|--|----------------------------------|---|------------------------------------|-----------------------------|
| Tangible fixed assets | 285,344 | 27,352,870 | (285,345) | 27,352,869 |
| Current assets | - | 554,617 | 3,690,434 | 4,245,051 |
| Creditors due within one year | - | - | (1,459,298) | (1,459,298) |
| Creditors due in more than one year | - | (186,280) | - | (186,280) |
| Provisions for liabilities and charges | (3,987,000) | - | - | (3,987,000) |
| | <u>(3,701,656)</u> | <u>27,721,207</u> | <u>1,945,791</u> | <u>25,965,342</u> |

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Net income for the year (as per Statement of Financial Activities) | 19,308,856 | 17,239,542 |
| Adjustment for: | | |
| Depreciation charges | 1,897,745 | 732,202 |
| Interest received | (11,802) | - |
| Increase in debtors | (1,801,833) | (423,405) |
| Increase in creditors | 417,594 | 1,337,887 |
| Defined benefit pension scheme adjustments | 4,102,000 | 1,834,000 |
| Net assets and liabilities from local authority on conversion | (20,143,128) | (17,564,399) |
| Net cash provided by operating activities | <u>3,769,432</u> | <u>3,155,827</u> |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|------------------|------------------|
| Cash in hand | 5,967,804 | 3,817,575 |
| Total | <u>5,967,804</u> | <u>3,817,575</u> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

21. CAPITAL COMMITMENTS

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

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | 2,432,365 | - |

22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £272,461 were payable to the schemes at 31 August 2017 (2016 - £153,627) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,685,009 (2016 - £681,029).

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-Administered funds. The total contribution made for the year ended 31 August 2017 was £915,000 (2016 - £338,000), of which employer's contributions totalled £719,000 (2016 - £279,000) and employees' contributions totalled £196,000 (2016 - £59,000). The agreed contribution rates for future years are 19% for employers and 5.5-6.8% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.50 % | 2.10 % |
| Expected return on scheme assets at 31 August | 2.50 % | 2.10 % |
| Rate of increase in salaries | 2.70 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.10 % |
| Inflation assumption (CPI) | 2.50 % | 2.10 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.4 | 22.0 |
| Females | 24.4 | 24.0 |
| Retiring in 20 years | | |
| Males | 24.0 | 24.0 |
| Females | 26.3 | 27.0 |

| | At 31 August 2017 | At 31 August 2016 |
|--|----------------------|----------------------|
| | £ | £ |
| Sensitivity analysis | | |
| Discount rate +0.1% | (13,965) | (2,389) |
| Discount rate -0.1% | 14,689 | 2,507 |
| Mortality assumption - 1 year increase | (2,198) | (2,463) |
| Mortality assumption - 1 year decrease | 2,146 | 2,433 |
| CPI rate +0.1% | 14,627 | 2,487 |
| CPI rate -0.1% | (14,027) | (2,409) |

ANGLIAN LEARNING

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 7,577,570 | 2,410,000 |
| Debt | - | 482,000 |
| Corporate bonds | 1,279,330 | - |
| Property | 688,870 | 225,000 |
| Cash and other liquid assets | 295,230 | 97,000 |
| | <u>9,841,000</u> | <u>3,214,000</u> |

The actual return on scheme assets was £706,000 (2016 - £493,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

| | 2017 £ | 2016 £ |
|----------------------|--------------------|----------------|
| Current service cost | (1,353,000) | - |
| Interest income | 179,000 | - |
| Interest cost | (337,000) | - |
| Current service cost | - | 85,000 |
| Finance cost | - | 69,000 |
| | <u>(1,511,000)</u> | <u>154,000</u> |

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

| | 2017 £ | 2016 £ |
|--|-------------------|------------------|
| Opening defined benefit obligation | 7,201,000 | 3,308,000 |
| Transferred in on existing Academies joining the Trust | 8,300,000 | 1,904,000 |
| Current service cost | 1,353,000 | - |
| Interest cost | 337,000 | 161,000 |
| Employee contributions | 196,000 | 59,000 |
| Actuarial (gains)/losses | (2,925,000) | 1,004,000 |
| Benefits paid | (135,000) | - |
| Current service cost | - | 765,000 |
| | <u>14,327,000</u> | <u>7,201,000</u> |

ANGLIAN LEARNING

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Opening fair value of scheme assets | 3,214,000 | 2,159,000 |
| Transferred in on existing Academies joining the Trust | 4,990,000 | 224,000 |
| Contributions by employer | - | 279,000 |
| Interest income | 179,000 | - |
| Actuarial gains | 678,000 | - |
| Employer contributions | 719,000 | - |
| Employee contributions | 196,000 | 59,000 |
| Benefits paid | (135,000) | - |
| Actuarial gains | - | 401,000 |
| Expected return on assets | - | 92,000 |
| | <u>9,841,000</u> | <u>3,214,000</u> |

23. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|----------------|-----------|
| Amounts payable: | | |
| Within 1 year | 144,003 | - |
| Between 1 and 5 years | 364,383 | - |
| After more than 5 years | 423,047 | - |
| Total | <u>931,433</u> | <u>-</u> |

24. MEMBERS' LIABILITY

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

25. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than Trustees' remuneration and expenses already disclosed in note 11.

ANGLIAN LEARNING

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

26. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

Bassingbourn Village College

| | Value reported by transferring Trust | Fair value adjustments | Transfer in recognised |
|---------------------------------------|---|---------------------------|---------------------------|
| | £ | £ | £ |
| Tangible fixed assets | | | |
| Freehold property | 5,109,091 | - | 5,109,091 |
| Fixtures and fittings | 47,594 | - | 47,594 |
| Office equipment | 79,186 | - | 79,186 |
| Computer equipment | 86,828 | - | 86,828 |
| Stock | 8,765 | - | 8,765 |
| Debtors due within one year | 64,516 | - | 64,516 |
| Cash in bank and in hand | 402,190 | - | 402,190 |
| Liabilities | | | |
| Creditors due within one year | (214,707) | - | (214,707) |
| Pensions | | | |
| Pensions - pension scheme assets | 1,528,000 | - | 1,528,000 |
| Pensions - pension scheme liabilities | (2,448,000) | - | (2,448,000) |
| | <u>4,663,463</u> | <u>-</u> | <u>4,663,463</u> |
| Net assets | <u><u>4,663,463</u></u> | <u><u>-</u></u> | <u><u>4,663,463</u></u> |

Sawston Village College

| | Value reported by transferring Trust | Fair value adjustments | Transfer in recognised |
|---------------------------------------|---|---------------------------|---------------------------|
| | £ | £ | £ |
| Tangible fixed assets | | | |
| Freehold property | 14,507,596 | - | 14,507,596 |
| Long-term leasehold property | 172,030 | - | 172,030 |
| Motor vehicles | 1 | - | 1 |
| Fixtures and fittings | 75,458 | - | 75,458 |
| Computer equipment | 65,344 | - | 65,344 |
| Debtors due within one year | 224,860 | - | 224,860 |
| Cash in bank and in hand | 811,923 | - | 811,923 |
| Liabilities | | | |
| Creditors due within one year | (386,517) | - | (386,517) |
| Pensions | | | |
| Pensions - pension scheme assets | 3,462,000 | - | 3,462,000 |
| Pensions - pension scheme liabilities | (5,852,000) | - | (5,852,000) |
| | <u>13,080,695</u> | <u>-</u> | <u>13,080,695</u> |
| Net assets | <u><u>13,080,695</u></u> | <u><u>-</u></u> | <u><u>13,080,695</u></u> |