

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

**CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report & Governance Statement	3
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27 - 28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the financial statements	31 - 64

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Jenkins N Murray S Fowler
Trustees	C Jenkins, Chair of Trustees ^{1,2,3} I Mitchell, Vice Chair ^{1,2} S Bellworthy, CEO ^{1,2,3} L Le Marquand ^{1,2} G Freathy (Resigned 21/11/2021) ³ S Jones ³ A Young ^{1,2} P Osborne ^{1,2} T Lavis (Resigned 21/11/2021) ^{1,2} V Rees (Resigned 07/04/2022) ^{1,2} ¹ Audit Committee ² Operation Committee ³ Standards Committee
Company registered number	10192252
Company name	Connect Academy Trust
Principal and registered office	Leigham Primary School Cockington Close Leigham Plymouth Devon PL6 8RF
Company secretary	R Field
Accounting Officer	S Bellworthy
Senior Leadership Team	S Bellworthy, Chief Executive Officer R Field, Chief Operating Officer S Ryder, Cockington Acting Headteacher I Morgan, Eden Park Headteacher W Cording, Eggbuckland Vale Headteacher A Swainson, Leigham Headteacher V Chidgey, Manadon Acting Headteacher S Ord, Preston Headteacher C Hardisty, Thornbury Headteacher S Nicholls, Widey Court Headteacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Lloyds Bank plc 37 The Ridgeway Plympton Plymouth Devon PL7 2AP
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Solicitors	Wolferstans 60-66 North Hill Plymouth Devon PL4 8EP
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 8 primary schools, including 3 nurseries, for pupils aged 2 to 11 in Plymouth and Torbay. It has a pupil capacity of 3,470 and had a roll of 3,336 in the Summer term 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Connect Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Connect Academy Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which, by virtue of any rule of law, would otherwise attach to them in respect of any negligence, default of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £1,000,000.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 10 Trustees who are appointed by members.

Trustees are appointed for a four-year period except that this time limit does not apply to the Chief Executive Officer. Any Trustee can be reappointed or re-elected.

While appointing new Trustees, the Board will consider the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the member schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees appointed in a year, induction tends to be done informally and is

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Governance Professional to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of each School to the respective Headteacher and Senior Leadership Team (SLT). The SLT of each School comprises the Headteacher, Deputy/Assistant Headteacher(s), other leaders eg SENCo) and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees, CEO and the Headteachers of individual schools comprise the key management personnel of the Trust in charge of directing, controlling, running and operating the schools on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts. The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark remuneration against guidance in the teacher's pay and conditions documents

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.77

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	2
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0
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Related Parties and other Connected Charities and Organisations

Transactions with related parties have been disclosed in note 30 of the financial statements.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials;
- Have a staff representative on the Local Governing Bodies (LGBs);
- Regular updates to all staff members, via termly updates and newsletters, including covering both financial and non-financial performance.

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

The Trust engages with their suppliers, customers and stakeholders through many means and methods, including:

- To ensure best value quotations are obtained in line with the Finance Policy;
- Where appropriate Crown Commercial Services and South West Buying Hub are contacted as part of the procurement process to ensure best value;
- Where appropriate local suppliers are given the opportunity to quote to ensure our carbon footprint is reduced.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object is 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 for pupils of different abilities.

The aims of the Trust during the year ended 31 August 2022 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To foster learning environments where children can develop physically, emotionally, spiritually, morally and culturally as well as academically;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To support the development of staff in order to continually improve teaching and learning;
- To develop pupils as more effective learners;
- To improve the effectiveness of the schools by keeping the knowledge based and progressive curriculum under continual review;
- To provide value for money for the funds expended;
- To develop greater coherence, clarity and effectiveness in school systems;
- To comply with all appropriate statutory and curriculum requirements;
- To develop the Trust's capacity to manage growth and change;
- To conduct the Trust's operational arm in accordance with the highest standards of integrity, probity and openness.

At Connect Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise their full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring learning environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Trust Improvement Plan which is available from via the Trust website. Improvement foci identified for this year included:

Strategic Objectives:

1. To improve aspirations, the quality of teaching & learning and pupil outcomes;
2. Connect becomes more aligned, with consistent budget practice and highly effective use of resources;
3. Building capacity for Improvement, local presence & growth .

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

As a Multi Academy Trust we have a duty to support our schools. Our named schools in the Trust are Egguckland Vale Primary School, Leigham Primary School, Manadon Vale Primary School, Thornbury Primary School, Eden Park Primary and Nursery School, Preston Primary School, Cockington Primary School and Widey Court Primary School. We support these schools through regular meeting, dialogue, support and challenge and school-to-school support.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

While the DfE has not published any results from 2022 due to the effects of Covid, we were very pleased with Connect children's outcomes. Namely:

- 81% of Year 1 children achieved the expected phonics standard at Egguckland Vale Primary, above the national average of 75%;
- 74% of Year 2 children achieved the expected maths standard at Thornbury Primary and 15% of this year group also achieved the expectation for greater depth learning.;
- 6 out of 8 schools exceeded the national average for spelling, punctuation and grammar in Year 6;
- 80% of Year 6 children at Preston Primary and 75% at Cockington Primary achieved the expected standard in reading, above the national average of 74%;
- 90% of Year 6 children at Manadon Vale Primary achieved the expected standard in writing, significantly above the national average of 69%;
- 90% of children at Leigham Year 6 and 81% at both Eden Park and Widey Court, achieved the expected standard in Mathematics, well above the national average of 71%;
- The proportion of Year 6 children achieving the greater depth standard was very high in science, reading, writing or mathematics at Manadon Vale, Preston, Leigham and Widey Court.

Ofsted judgements: All schools are currently judged as securely 'Good' schools. Cockington Primary is on a journey of rapid improvement and is 'yet to be inspected' as part of Connect Academy Trust.

Key Performance Indicators

Staff Cost % of Revenue Income	77%
Teaching Staff Cost % Total Staff Cost	64%
Educational Support Staff Cost % Total Staff Cost	32%
Support Staff Cost % Total Staff Cost	14%
Spend per pupil for non-pay expenditure	£816.89
Surplus % of Income	2%
Actual (Census Oct) Pupil Numbers	3,336

Going Concern

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the EFSA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2022, the Trust received total income of £24,820,442 and incurred total expenditure of £15,855,445. The excess of income over expenditure for the year was £8,964,997. This is due to the 3 schools transferred into the Academy Trust in the year.

At 31 August 2022 the net book value of fixed assets was £32,272,918 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion and transferred into the Academy Trust from existing Trusts. Other assets have been included in the Financial Statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the Financial Statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves to aim for would be approximately one month's reserve for the Academy Trust which equate to the region of £1 million. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its immediate requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the EFSA. In the last year, 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, 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.

Failures in governance and/or management - the risk in this area arises from potential failure to manage effectively the Trust's finances, internal controls, compliance with, inter alia, regulations and legislation and statutory returns. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academies Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust continues to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis. This includes each school's COVID-19 related assessments.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Operations Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the Financial Statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

FUNDRAISING

The Trust does not work with, or have oversight of, any commercial participators and/ or professional fundraisers.

STREAMLINED ENERGY AND CARBON REPORTING

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 8 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). There are 3 new schools that joined the Trust on the 1st of June 2022 which are Cockington Primary School, Eden Park Primary School, and Preston Primary School.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil and minibus diesel consumption were compiled from invoice records. Where required pro rata estimation has been used to estimate for gaps in data. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity is provided by a third party and therefore included within scope 2 and excludes exported energy. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

For the three new schools that joined the Trust, data for the entire reporting year has been included, as this provides an annual comparison for total gross emissions and the intensity ratios.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur because of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Breakdown of energy consumption used to calculate emissions (kWh):		
Energy type	2020/21	2021/22
Mandatory requirements:		
Gas	653,872	1,392,299
Purchased electricity from the grid	352,549	654,136
Purchased electricity from on-site renewable sources	51,916	81,135
Transport fuel	623	27,041
Total energy (mandatory)	1,058,960	2,154,611
Voluntary requirements:		
Oil	231,211	122,188
Total energy (voluntary)	231,211	122,188
Total energy (mandatory & voluntary)	1,290,171	2,276,798

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

Energy efficiency action during current financial year

No energy efficiency actions have taken place during this reporting year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Breakdown of emissions associated with the reported energy use (tCO₂e):		
Emission source	2020/21	2021/22
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	119.8	254.2
Company owned vehicles (minibuses)	0.0	3.9
<u>Scope 2</u>		
Purchased electricity (location-based)	74.9	126.5
Purchased electricity from on-site renewable sources	0.0	0.0
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	0.2	2.9
Total gross emissions (mandatory)	194.6	387.4
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.090	0.123
Tonnes of CO ₂ e per square meter floor area	0.019	0.021
Voluntary requirements:		
<u>Scope 1</u>		
Oil	59.4	31.7
Total gross emissions (voluntary)	59.4	31.7
Total gross emissions (mandatory & voluntary)	254.0	419.1
<u>Intensity ratios (mandatory & voluntary emissions)</u>		
Tonnes of CO ₂ e per pupil	0.117	0.133
Tonnes of CO ₂ e per square meter floor area	0.025	0.022

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partners to improve the educational opportunities for students in the wider community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Connect Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

SECTION 172 STATEMENT

Promoting the success of the Trust

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the Charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term

The Trust makes all key decisions in line with its strategic development plan. This strategy is primarily designed around the objective to improve educational outcome for pupils, but every decision and operational approach is regularly reviewed for its impact and the need for any changes or modifications to decisions previously taken.

The interests of the Company's employees

Our employees are vital to the Trust, and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular feedback and joint communication sessions. We address any issues raised by our employees as quickly as possible and respond with outcomes for resolution. The Trust seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through meetings we also actively seek to ensure that the working environment meets high standards of safety and security.

The need to foster the Company's business relationships with suppliers, customers and others

Our relationships with partners and suppliers are key to our effectiveness. The Trust actively seeks to engage in service reviews with key suppliers. These reviews are focused on a two-way relationship with the Trust based with an aim of helping one another to achieve an optimum service as efficiently as possible and according to the best value for money.

The impact of the Company's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our school curriculum, the Trust encourages all staff and pupils to participate in initiatives to reduce negative environmental impacts. These include the promotion of recycling waste and actions to maximise efficiency in energy consumption.

The desirability of the Company maintaining a reputation for high standards of business conduct

Our reputation and public trust in our constituent schools is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for our employees to ensure that we maintain high standards, and these are used in our appraisal processes. Our procurement and policies and procedures ensure that our values are also part of our selection of partners and suppliers.

The need to act fairly as a Company

In terms of the Academy Trust, fairness in our dealings is upheld through having a clear and well communicated strategy, and financial discipline backed by strong internal controls. We have

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

transparent reporting at regular intervals through the year, continual access to senior management and a track record of successful growth through new school joiners which have been appropriately integrated into the Trust. We aim to be a fully inclusive organisation and we will not unfairly discriminate against our pupils, staff or any other member of our community and stakeholders.

AUDITOR

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors and signed on the Board's behalf by:



C Jenkins
(Chair of Trustees)

Date: 8 December 2022

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO) 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 Connect Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
Stuart Bellworthy	4	4
Christian Jenkins	4	4
Ian Mitchell	4	4
Sam Jones	2	4
Lee Le Marquand	2	4
Paul Osborne	3	4
Tom Lavis	1	4
Andrew Young	4	4

The Board has focussed its efforts on ensuring policy and procedures are in place for the Trust to carry out its duties effectively. Systems have been developed to ensure there is efficient delegation to Committees and Local Governing Bodies and to enable the Trustees to monitor the data around progress of pupils and the compliance with statutory duties. Communication between Local Governing Bodies and the Board has been an area of development.

Governance Review

The Trust has had an external review of governance performed by the NGA. This report was very positive, and Trustees will work with the NGA on any recommendations throughout 2022/23.

The Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to lead the development of strategic plans and provide strategic direction on financial issues, as well as Premises, HR and IT.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Bellworthy	6	6
Christian Jenkins	6	6
Ian Mitchell	6	6
Lee Le Marquand	4	6
Paul Osborne	4	6
Andrew Young	5	6

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's internal and external financial statements and reports to ensure that they reflect best practice.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Bellworthy	6	6
Christian Jenkins	6	6
Ian Mitchell	6	6
Lee Le Marquand	4	6
Paul Osborne	4	6
Andrew Young	5	6

REVIEW OF VALUE FOR MONEY

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

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

- *Robust financial governance and budget management.*
 - Overseeing the work of the School Business Managers by the CFO in each school ensures sound financial prudence and best value.
 - *Value for money purchasing*
 - Ensuring the Schools work together on purchasing to gain best value. For example, favourable costs when we negotiated the contracts across the Trust.
 - *Deploying staff effectively*
- Lead Practitioners have been used to support teaching improvements across the Trust. Headteachers have been used to support each other where needed and provide an external viewpoint.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

- *Reviewing quality of curriculum provision and quality of teaching*

Continuing Close and Distant Supervisors and undertaking school enquiries to support and challenge developments with the schools. School-on-a-page summary report enables holistic picture of quality of learning and teaching.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connect Academy Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (assets purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To tender for internal audit services in 2022/23 having had both an NGA and RSC review in year.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

REVIEW OF EFFECTIVENESS

As Accounting Officer the Chief Executive 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 external auditor and external reviews;
- The financial management and governance self-assessment process;
- The work of the CFO and leadership teams within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
-

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



C Jenkins
(Chair of Trustees)



S Bellworthy
(Accounting Officer)

Date: 8 December 2022

**CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Connect Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & 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 Academy Trust Handbook 2022.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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.



S Bellworthy
(Accounting Officer)
Date: 8 December 2022

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 members of the Board of Trustees and signed on its behalf by:



C Jenkins
(Chair of Trustees)
Date: 8 December 2022

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT ACADEMY TRUST**

OPINION

We have audited the financial statements of Connect Academy Trust (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT ACADEMY TRUST (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic 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 are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT ACADEMY TRUST (CONTINUED)**

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academy Trust Handbook, UK Companies Act, Charities SORP, Charity Law and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT ACADEMY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' report.

USE OF OUR REPORT

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



Nathan Coughlin FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

16 December 2022

**CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CONNECT ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connect Academy Trust during the year 1 September 2021 to 31 August 2022 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 Connect Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Connect Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Connect Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CONNECT ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Connect Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CONNECT
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 16 December 2022

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:						
Donations and capital grants:	3					
Amounts transferred from existing Trusts		283,347	(2,693,000)	13,289,286	10,879,633	-
Other donations and capital grants		8,438	-	34,930	43,368	285,720
Other trading activities	5	324,508	-	-	324,508	287,858
Investments	6	787	-	-	787	488
Charitable activities		516,922	13,055,224	-	13,572,146	10,820,064
TOTAL INCOME		1,134,002	10,362,224	13,324,216	24,820,442	11,394,130
EXPENDITURE ON:						
Raising funds	7	204,181	-	6,668	210,849	264,180
Charitable activities	8	788,217	14,238,321	618,058	15,644,596	11,911,014
TOTAL EXPENDITURE		992,398	14,238,321	624,726	15,855,445	12,175,194
NET INCOME/ (EXPENDITURE)		141,604	(3,876,097)	12,699,490	8,964,997	(781,064)
Transfers between funds	18	(94,662)	(119,699)	214,361	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		46,942	(3,995,796)	12,913,851	8,964,997	(781,064)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	9,011,000	-	9,011,000	(603,000)
NET MOVEMENT IN FUNDS		46,942	5,015,204	12,913,851	17,975,997	(1,384,064)

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	580,572	(8,830,662)	19,362,865	11,112,775	12,496,839
Net movement in funds	46,942	5,015,204	12,913,851	17,975,997	(1,384,064)
TOTAL FUNDS CARRIED FORWARD	627,514	(3,815,458)	32,276,716	29,088,772	11,112,775

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 64 form part of these financial statements.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10192252

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	32,272,918	19,016,238
CURRENT ASSETS			
Debtors	15	672,532	682,623
Cash at bank and in hand	23	1,905,254	1,587,532
		2,577,786	2,270,155
Creditors: amounts falling due within one year	16	(1,428,891)	(1,033,447)
NET CURRENT ASSETS		1,148,895	1,236,708
TOTAL ASSETS LESS CURRENT LIABILITIES		33,421,813	20,252,946
Creditors: amounts falling due after more than one year	17	(83,041)	(43,171)
NET ASSETS EXCLUDING PENSION LIABILITY		33,338,772	20,209,775
Defined benefit pension scheme liability	26	(4,250,000)	(9,097,000)
TOTAL NET ASSETS		29,088,772	11,112,775
FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS:			
Fixed asset funds	18	32,276,716	19,362,865
Restricted income funds	18	434,542	266,338
Restricted funds excluding pension liability	18	32,711,258	19,629,203
Pension reserve	18	(4,250,000)	(9,097,000)
TOTAL RESTRICTED FUNDS	18	28,461,258	10,532,203
UNRESTRICTED INCOME FUNDS	18	627,514	580,572
TOTAL FUNDS		29,088,772	11,112,775

The financial statements on pages 27 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



C Jenkins
 (Chair of Trustees)
 Date: 8 December 2022

The notes on pages 31 to 64 form part of these financial statements.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	659,444	814,871
CASH FLOWS FROM INVESTING ACTIVITIES	22	(496,583)	(675,891)
CASH FLOWS FROM FINANCING ACTIVITIES	21	154,861	6,957
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		317,722	145,937
Cash and cash equivalents at the beginning of the year		1,587,532	1,441,595
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23, 24	1,905,254	1,587,532

The notes on pages 31 to 64 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Other income**

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

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 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 raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Computer equipment	- 33% straight line
Fixtures, fittings and equipment	- 20% 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 and reclassified to freehold or leasehold land and buildings.

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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 and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 PENSIONS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

The transfer of existing Academy Trusts to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis, as set out below.

The assets and liabilities transferred on conversion of Coast Academies have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted, restricted general funds and restricted fixed asset funds.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
DONATIONS				
Transferred from existing Academy Trust	283,347	(2,693,000)	13,289,286	10,879,633
Donations	8,438	-	-	8,438
Capital Grants	-	-	34,930	34,930
	<u>291,785</u>	<u>(2,693,000)</u>	<u>13,324,216</u>	<u>10,923,001</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	48,774	9,801	-	58,575
Capital Grants	-	-	227,145	227,145
	<u>48,774</u>	<u>9,801</u>	<u>227,145</u>	<u>285,720</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
EDUCATION			
DFE/ESFA GRANTS			
General Annual Grant	-	10,601,395	10,601,395
DfE/ESFA Grants			
UIFSM	-	326,339	326,339
Pupil Premium	-	821,944	821,944
Other DfE Group grants	-	480,382	480,382
	-	12,230,060	12,230,060
OTHER GOVERNMENT GRANTS			
High Needs	-	684,844	684,844
Other Government Grants Non Capital	-	116,474	116,474
Early Years Funding	231,840	-	231,840
	231,840	801,318	1,033,158
Other income from the Academy Trust's education	285,082	-	285,082
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
COVID Workforce Fund	-	23,846	23,846
	516,922	13,055,224	13,572,146

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
EDUCATION			
DFE/ESFA Grants			
General Annual Grant	-	8,577,606	8,577,606
Other DfE/ESFA Grants			
UIFSM	-	309,981	309,981
Pupil Premium	-	670,442	670,442
Other DfE Group grants	-	136,762	136,762
	-	9,694,791	9,694,791
OTHER GOVERNMENT GRANTS			
High Needs	-	553,169	553,169
Other Government Grants Non Capital	-	57,406	57,406
Early Years Funding	215,527	-	215,527
	215,527	610,575	826,102
Other income from the Academy Trust's education	172,482	-	172,482
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	124,110	124,110
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)			
Coronavirus Job Retention Scheme grant	-	2,579	2,579
	388,009	10,432,055	10,820,064

The Academy Trust received £Nil (2021: £124,110) of funding for catch-up premium and costs incurred in respect of this funding totalled £Nil (2021: £124,110).

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 Additional Funding".

The Academy furloughed no (2021: 2) of its music teachers under the Government's CJRS. The funding received of £Nil (2021: £2,579) relates to staff costs in respect of 2 staff which are included within note 10 below as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	14,380	14,380	7,063
Fees received	310,128	310,128	265,775
Other	-	-	15,020
	<u>324,508</u>	<u>324,508</u>	<u>287,858</u>

All 2021 amounts relate to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	787	787	488

All 2021 amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on fundraising trading activities:				
Direct costs	173,906	21,037	15,906	210,849
Education:				
Direct costs	10,086,814	370,341	1,093,599	11,550,754
Support costs	1,792,075	963,087	1,338,680	4,093,842
	-	-	-	-
	<u>12,052,795</u>	<u>1,354,465</u>	<u>2,448,185</u>	<u>15,855,445</u>

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. EXPENDITURE (CONTINUED)

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	219,005	32,889	12,286	264,180
Education:				
Direct costs	8,077,602	330,659	721,450	9,129,711
Support costs	1,320,440	408,750	1,052,113	2,781,303
	<u>9,617,047</u>	<u>772,298</u>	<u>1,785,849</u>	<u>12,175,194</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £
Education	<u>11,550,754</u>	<u>4,093,842</u>	<u>15,644,596</u>

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Education	<u>9,129,711</u>	<u>2,781,303</u>	<u>11,911,014</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	54,000	40,000
Staff costs	1,792,075	1,320,440
Depreciation	68,709	47,129
Recruitment and support	20,881	16,012
Maintenance of premises and equipment	347,943	152,177
Cleaning	82,097	50,885
Rent and rates	41,638	69,229
Energy costs	91,445	89,330
Insurance	198,496	96,023
Security and transport	17,238	12,401
Catering	647,438	490,304
Technology costs	220,025	120,527
Office overheads	210,951	42,010
Other premises and support costs	16,493	-
Legal and professional	251,338	214,620
Bank interest and charges	665	-
Governance costs	32,410	20,216
	4,093,842	2,781,303

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	6,887	6,367
Depreciation of tangible fixed assets	624,726	569,033
Internal audit costs	2,475	3,625
Fees paid to auditors for:		
- audit	13,750	7,000
- other services	5,660	4,710

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	8,243,830	6,761,485
Social security costs	739,879	554,568
Pension costs	2,985,721	2,290,686
	11,969,430	9,606,739
Agency staff costs	83,365	10,308
	12,052,795	9,617,047

b. SPECIAL STAFF SEVERANCE PAYMENTS

There were no staff restructuring costs this year (2021: £NIL).

c. STAFF NUMBERS

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

	2022	2021
	No.	No.
Teachers	124	111
Administration and support	276	243
Management	9	8
	409	362

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	3
In the band £90,001 - £100,000	1	1
	=====	=====

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £839,233 (2021: £706,161).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. CENTRAL SERVICES

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

- Financial services
- Management costs
- Human resources
- Legal services
- Educational support services
- Premises and health and safety services
- IT services
- Others as arising

The Academy Trust charges for these services on the following basis:

The cost of provision of central services is recharged to the academies on a 6% (2021: 5.2%) of income basis for the legacy schools and based on actual costs incurred centrally for the newly joined schools.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Cockington Primary School	56,017	-
Eden Park Primary & Nursery School	43,208	-
Eggbuckland Vale Primary School	96,804	75,852
Leigham Primary School and Nursery	104,784	76,872
Manadon Primary School	105,084	82,344
Preston Primary School	40,905	-
Thornbury Primary School	76,428	58,872
Widey Court Primary School	152,484	115,824
TOTAL	675,714	409,764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his services as a Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Bellworthy: remuneration £100,000 - £105,000 (2021: £95,000 - £100,000), employer's pension contributions £20,000 - £25,000 (2021: £20,000 - £25,000).

During the year, retirement benefits were accruing to 1 Trustee (2021: 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, expenses totalling £475 were reimbursed or paid directly to 2 Trustees (2021: £Nil to no Trustees).

Other related party transactions involving the Trustees are set out in note 30.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £365 (2021: £335).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST					
At 1 September 2021	20,661,704	-	579,705	449,875	21,691,284
Additions	362,945	72,734	9,020	52,671	497,370
Transfers intra group	-	13,254,719	39,550	89,767	13,384,036
At 31 August 2022	21,024,649	13,327,453	628,275	592,313	35,572,690
DEPRECIATION					
At 1 September 2021	1,889,785	-	459,663	325,598	2,675,046
Charge for the year	402,597	48,567	65,180	108,382	624,726
At 31 August 2022	2,292,382	48,567	524,843	433,980	3,299,772
NET BOOK VALUE					
At 31 August 2022	18,732,267	13,278,886	103,432	158,333	32,272,918
At 31 August 2021	18,771,919	-	120,042	124,277	19,016,238

The value of land not depreciated included in the net book value of freehold property displayed above is £899,250 (2021: £899,250).

The Academy Trust's transactions relating to land and buildings included the granting of a leasehold on one of the school's land for £7,752 per annum over a term of 3 years, which increases after this time period.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	7,974	1,350
Prepayments and accrued income	481,269	561,207
VAT recoverable	183,289	120,066
	<u>672,532</u>	<u>682,623</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
ESFA Loans	24,367	10,786
Trade creditors	413,793	424,733
Other taxation and social security	140,227	131,658
Other creditors	289,178	162,521
Accruals and deferred income	561,326	303,749
	<u>1,428,891</u>	<u>1,033,447</u>

Included within ESFA loans are Condition Improvement Fund (CIF) loans of £17,000 and £30,000 repayable in monthly installments over 5 years with an applicable annual interest rate of 2.01%; a CIF loan of £12,981 repayable in 6 monthly installments over 8 years with an applicable annual interest rate of 2.01%; a CIF loan of £13,333 repayable in monthly installments over 3 years with an applicable annual interest rate of 1.45%; a CIF loan of £20,000 repayable in monthly installments over 3 years with an applicable annual interest rate of 1.04%; a Salix loan of £27,273 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%; a Salix loan of £21,301 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%; a UCS loan of £12,296 repayable in monthly installments over 5 years with an applicable annual interest rate of 2.01% and a CIF loan of £20,958 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%.

	2022 £	2021 £
Deferred income		
Deferred income at 1 September	295,588	273,196
Resources deferred during the year	466,873	295,588
Amounts released from previous periods	(295,588)	(273,196)
Deferred income at 30 August	<u>466,873</u>	<u>295,588</u>

At the Balance Sheet date, the Trust was holding funds received in advance in respect of income relating to Universal Infant Free School Meals funding (£234,600), supplementary grant funding (£176,413), Local Authority funding (£54,060) and parental income (£1,800) for the 2022/23 academic year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
ESFA loans	83,041	43,171

Included within ESFA loans are Condition Improvement Fund (CIF) loans of £17,000 and £30,000 repayable in monthly installments over 5 years with an applicable annual interest rate of 2.01%; a CIF loan of £12,981 repayable in 6 monthly installments over 8 years with an applicable annual interest rate of 2.01%; a CIF loan of £13,333 repayable in monthly installments over 3 years with an applicable annual interest rate of 1.45%; a CIF loan of £20,000 repayable in monthly installments over 3 years with an applicable annual interest rate of 1.04%; a Salix loan of £27,273 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%; a Salix loan of £21,301 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%; a UCS loan of £12,296 repayable in monthly installments over 5 years with an applicable annual interest rate of 2.01% and a CIF loan of £20,958 repayable in annual installments over 5 years with an applicable annual interest rate of 0.00%.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	580,572	1,134,002	(992,398)	(94,662)	-	627,514
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	261,783	10,601,395	(10,309,492)	(119,699)	-	433,987
High Needs	-	684,844	(684,844)	-	-	-
Pupil Premium	-	821,944	(821,944)	-	-	-
PE & Sports grant	-	98,220	(98,220)	-	-	-
Other DfE / ESFA grants	4,555	382,162	(386,162)	-	-	555
UIFSM funding	-	326,339	(326,339)	-	-	-
Other Government grants	-	71,871	(71,871)	-	-	-
Other curriculum income	-	44,603	(44,603)	-	-	-
COVID Workforce grant	-	23,846	(23,846)	-	-	-
Pension reserve	(9,097,000)	(2,693,000)	(1,471,000)	-	9,011,000	(4,250,000)
	(8,830,662)	10,362,224	(14,238,321)	(119,699)	9,011,000	(3,815,458)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Tangible fixed asset funds	19,016,238	-	(551,463)	422,319	-	18,887,094
Tangible fixed asset funds transferred from existing Trusts	-	13,353,548	(73,263)	105,539	-	13,385,824
DfE/ESFA capital grants	400,584	34,930	-	(324,308)	-	111,206
ESFA loans	(53,957)	(64,262)	-	10,811	-	(107,408)
	<u>19,362,865</u>	<u>13,324,216</u>	<u>(624,726)</u>	<u>214,361</u>	<u>-</u>	<u>32,276,716</u>
TOTAL RESTRICTED FUNDS	<u>10,532,203</u>	<u>23,686,440</u>	<u>(14,863,047)</u>	<u>94,662</u>	<u>9,011,000</u>	<u>28,461,258</u>
TOTAL FUNDS	<u>11,112,775</u>	<u>24,820,442</u>	<u>(15,855,445)</u>	<u>-</u>	<u>9,011,000</u>	<u>29,088,772</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

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

Restricted Funds

General Annual Grant - This represents funding received from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

High Needs - This represents funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

PE & Sports grant - This represents funding from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Other DfE/ESGA grants - This represents other restricted funding received from the DfE and ESFA.

UIFSM - This represents funding received from the ESFA to provide free school meals to infant children.

COVID Catch-Up Premium - This represents funding received from the Government to support pupils to catch up on missed learning caused by COVID-19.

COVID Workforce grant - This represents funding received from the Government to provide financial support to the Academy Trust to help cover the cost of workforce absences.

Other Government grants - This represents other restricted funding received from the Government.

Other curriculum income - This represents other sources of restricted curriculum income.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pensions schemes, this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Tangible fixed assets fund - This represents funds that have been directly spent on fixed asset projects. The tangible fixed asset fund balance at the year end represents the NBV of tangible fixed assets. The transfer in represents the additions in the year.

Tangible fixed asset funds transferred from existing Trusts - This represents the NBV of tangible fixed assets that were transferred in from schools joining the Trust in the year. The balance at the year end represents the NBV of tangible fixed assets for the schools that joined in the year. The transfer in represents the additions for the new schools in the year.

DfE/ESFA capital grants - This represents funding from the DfE and ESFA to cover the maintenance and purchase of the Academy Trust's assets.

ESFA loans - This represents funding from the ESFA in the form of loans to be used towards specific capital projects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

Other information

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	478,541	725,129	(535,548)	(87,550)	-	580,572
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	128,215	8,577,606	(8,181,069)	(262,969)	-	261,783
High Needs	-	553,169	(553,169)	-	-	-
Pupil Premium	-	670,442	(670,442)	-	-	-
PE & Sports grant	30,567	97,850	(128,417)	-	-	-
Other DfE / ESFA grants	-	38,912	(34,357)	-	-	4,555
UIFSM funding	51,872	309,981	(361,853)	-	-	-
COVID Catch-Up Premium	-	124,110	(124,110)	-	-	-
Other Government grants	-	57,406	(57,406)	-	-	-
Other curriculum income	-	12,380	(12,380)	-	-	-
Pension reserve	(7,551,000)	-	(943,000)	-	(603,000)	(9,097,000)
	<u>(7,340,346)</u>	<u>10,441,856</u>	<u>(11,066,203)</u>	<u>(262,969)</u>	<u>(603,000)</u>	<u>(8,830,662)</u>

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Tangible fixed asset funds	18,796,072	-	(568,543)	788,699	-	19,016,228
DfE/ESFA capital grants	609,570	240,126	-	(449,102)	-	400,594
ESFA loans	(47,000)	(12,981)	-	6,024	-	(53,957)
	<u>19,358,642</u>	<u>227,145</u>	<u>(568,543)</u>	<u>345,621</u>	<u>-</u>	<u>19,362,865</u>
TOTAL RESTRICTED FUNDS	<u>12,018,296</u>	<u>10,669,001</u>	<u>(11,634,746)</u>	<u>82,652</u>	<u>(603,000)</u>	<u>10,532,203</u>
TOTAL FUNDS	<u><u>12,496,837</u></u>	<u><u>11,394,130</u></u>	<u><u>(12,170,294)</u></u>	<u><u>(4,898)</u></u>	<u><u>(603,000)</u></u>	<u><u>11,112,775</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Cockington Primary School	92,320	-
Eden Park Primary & Nursery School	(119,906)	-
Eggbuckland Vale Primary School	(45,706)	48,980
Leigham Primary School & Nursery	229,025	153,312
Manadon Primary School	230,872	191,074
Preston Primary School	143,893	-
Thornbury Primary School	139,105	117,092
Widey Court Primary School	358,942	249,296
Central	33,511	87,156
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,062,056	846,910
Restricted fixed asset fund	32,276,716	19,362,865
Pension reserve	(4,250,000)	(9,097,000)
	<hr/>	<hr/>
TOTAL	29,088,772	11,112,775
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Eden Park Primary & Nursery School	(119,906)
Eggbuckland Vale Primary School	(45,706)
	<hr/> <hr/>

Eden Park brought forward a deficit from Coast Academies of £44k, which as Coast Academies reserves were always recognised as a "Trust reserve" was not highlighted as an issue at that time. Within this financial year, they have incurred additional expenditure for one off events such as the assimilation to the Connect pay scales which impacted their financial performance.

Eggbuckland also had additional expenditure within the financial year which impacted their financial performance.

The Academy Trust is taking the following action to return the academies to surplus:

Regarding Eden Park, the Trust will be reviewing the schools performance closely moving forward, and budgeting accordingly.

The additional expenditure Eggbuckland incurred in the financial year is not expected to be repeated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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 2022 £
Cockington Primary School	564,183	24,096	56,711	90,414	735,404
Eden Park Primary & Nursery School	424,251	38,079	22,368	69,585	554,283
Eggbuckland Vale Primary School	1,744,797	250,395	142,235	323,133	2,460,560
Leigham Primary School & Nursery	1,480,734	203,557	162,025	323,364	2,169,680
Manadon Primary School	1,288,548	192,627	88,626	294,339	1,864,140
Preston Primary School	335,835	20,330	15,681	78,170	450,016
Thornbury Primary School	1,165,645	212,794	98,030	198,622	1,675,091
Widey Court Primary School	1,968,377	280,709	156,616	377,483	2,783,185
Central	359,692	216,344	50,555	440,769	1,067,360
ACADEMY TRUST	9,332,062	1,438,931	792,847	2,195,879	13,759,719

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Eggbuckland Vale Primary School	1,726,251	290,394	100,797	236,228	2,353,670
Leigham Primary School & Nursery	1,410,279	219,076	73,401	215,922	1,918,678
Manadon Primary School	1,285,877	143,243	84,523	281,050	1,794,693
Thornbury Primary School	1,136,092	205,693	65,835	173,456	1,581,076
Widey Court Primary School	1,848,703	290,810	135,956	330,974	2,606,443
Central	132,515	85,861	5,244	171,102	394,722
ACADEMY TRUST	7,539,717	1,235,077	465,756	1,408,732	10,649,282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	32,272,918	32,272,918
Current assets	627,514	1,839,066	111,206	2,577,786
Creditors due within one year	-	(1,404,524)	(24,367)	(1,428,891)
Creditors due in more than one year	-	-	(83,041)	(83,041)
Pension scheme liability	-	(4,250,000)	-	(4,250,000)
TOTAL	627,514	(3,815,458)	32,276,716	29,088,772

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	19,016,238	19,016,238
Current assets	580,572	1,118,897	570,686	2,270,155
Creditors due within one year	-	(852,559)	(180,888)	(1,033,447)
Creditors due in more than one year	-	-	(43,171)	(43,171)
Pension scheme liability	-	(9,097,000)	-	(9,097,000)
TOTAL	580,572	(8,830,662)	19,362,865	11,112,775

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of financial activities)	8,964,997	(781,064)
ADJUSTMENTS FOR:		
Depreciation charges	624,726	569,033
Capital grants from DfE and other capital income	(34,930)	(227,145)
Interest received	(787)	(488)
Defined benefit pension scheme cost less contributions payable	1,291,000	823,000
Defined benefit pension scheme finance cost	180,000	120,000
Decrease in debtors	469,727	213,758
Increase/ (decrease) in creditors	44,344	93,367
(Profit)/ loss on disposal	-	4,410
Net income on assets and liabilities from existing Trusts transferred in	(10,879,633)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	659,444	814,871

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2022 £	2021 £
Cash inflows from new borrowing	-	12,981
Repayments of borrowing	(10,881)	(6,024)
Cash received from existing Trusts transferred in	165,742	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	154,861	6,957

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Interest received	787	488
Purchase of tangible fixed assets	(497,370)	(793,609)
Capital grants from DfE Group	-	117,230
NET CASH USED IN INVESTING ACTIVITIES	(496,583)	(675,891)

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	1,194,373	1,000,881
Notice deposits (less than 3 months)	710,881	586,651
TOTAL CASH AND CASH EQUIVALENTS	1,905,254	1,587,532

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	Trusts transferring in £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,587,532	151,980	165,742	-	1,905,254
Debt due within 1 year	(10,786)	(10,881)	(16,720)	14,020	(24,367)
Debt due after 1 year	(43,171)	-	(41,752)	1,882	(83,041)
	1,533,575	141,099	107,270	15,902	1,797,846

25. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted for but not provided in these financial statements	-	393,922

26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £168,551 were payable to the schemes at 31 August 2022 (2021: £160,796) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £928,000 (2021: £922,500).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £895,000 (2021: £699,000), of which employer's contributions totalled £704,000 (2021: 547,000) and employees' contributions totalled £ 191,000 (2021: £152,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5-12.5 per cent for employees.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/ inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.7	22.7
Females	22.9	24.0
Retiring in 20 years		
Males	23.0	24.0
Females	24.3	25.4

SENSITIVITY ANALYSIS

	2022	2021
	£000	£000
Discount rate +0.1%	399	400
Discount rate -0.1%	409	410
Mortality assumption - 1 year increase	489	643
Mortality assumption - 1 year decrease	475	620
CPI rate +0.1%	385	365
CPI rate -0.1%	376	356

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	6,814,000	4,758,000
Bonds	2,552,000	1,117,000
Property	1,281,000	607,000
Cash and other liquid assets	185,000	46,000
Target return portfolio	1,068,000	706,000
Other	947,000	367,000
Total market value of assets	12,847,000	7,601,000

The actual return on scheme assets was (£275,000) (2021 - £1,230,000).

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

	2022 £	2021 £
Current service cost	(1,995,000)	(1,370,000)
Interest income	147,000	98,000
Interest cost	(327,000)	(214,000)
Total amount recognised in the Statement of Financial Activities	(2,175,000)	(1,486,000)

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

	2022 £	2021 £
At 1 September	16,698,000	13,431,000
Transferred in on existing academies joining the trust	7,534,000	-
Current service cost	1,995,000	1,370,000
Interest cost	327,000	214,000
Employee contributions	191,000	152,000
Actuarial (gains)/losses	(9,437,000)	1,735,000
Benefits paid	(211,000)	(204,000)
At 31 August	17,097,000	16,698,000

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	7,601,000	5,880,000
Transferred in on existing academies joining the trust	4,841,000	-
Interest income	151,000	98,000
Actuarial gains/(losses)	(426,000)	1,132,000
Employer contributions	704,000	547,000
Employee contributions	191,000	152,000
Benefits paid	(211,000)	(204,000)
Administration expense	(4,000)	(4,000)
At 31 August	12,847,000	7,601,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable		
Not later than 1 year	8,251	7,031
Later than 1 year and not later than 5 years	9,181	8,227
	17,432	15,258

28. 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.

29. GENERAL INFORMATION

Connect Academy Trust is a Company limited by guarantee, incorporated in England and Wales. The registered office is Leigham Primary School, Cockington Close, Leigham, Plymouth, Devon, PL6 8RF.

30. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

C Young, spouse of A Young, a Trustee, is employed by the Trust as a Teaching Assistant. C Young's appointment was made before A Young became a Trustee, in open competition and A Young was not involved in the decision making process regarding appointment. C Young is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

M Le Marquand, spouse of L Le Marquand, a Trustee, is employed by the Trust as a Teaching Assistant. M Le Marquand's appointment was made before L Le Marquand became a Trustee, in open competition and L Le Marquand was not involved in the decision making process regarding appointment. M Le Marquand is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

31. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

Coast Academies

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	13,254,719	13,254,719
Furniture and equipment	39,550	39,550
Computer equipment	89,767	89,767
CURRENT ASSETS		
Debtors due within one year	403,374	403,374
Cash at bank and in hand	165,742	165,742
LIABILITIES		
Creditors due within one year	(337,519)	(337,519)
Creditors due after one year	(43,000)	(43,000)
PENSIONS		
Pensions - pension scheme liabilities	(2,693,000)	(2,693,000)
NET ASSETS	<u>10,879,633</u>	<u>10,879,633</u>

All three schools, Cockington Primary School, Eden Park Primary & Nursery School and Preston School, from Coast Academies joined the Academy Trust on 1 June 2022.